EXHIBIT JPX 243
Part 2 of 2

It is evident from the table above that Charter will need to refinance the remaining CCO bank debt in 2014. However, assuming that Charter is able to grow EBITDA at a rate of 3.0%, net leverage would be less than 4x by 2013 (it should be even lower due to slower capex spend in a low-growth scenario).

10.5 Restructuring Value Plan (RVP)

At the eleventh hour of negotiations on the restructuring plan, management presented to the Committee an RVP and threatened to walk away from an agreement if the Committee did not accept the proposal. A summary of the proposed RVP is shown below:

($ in thousands)	Title	Base Salary + Target Bonus	Total Restructuring Payment (Months for Completion of Restructuring) 4-6	6-12	12-18+
Executives (Insiders)					
Neil Smit	President & CEO	$4,500	$13,500	$15,750	$18,000
Michael Lovett	EVP & COO	1,704	5,111	5,963	6,815
Eloise Schmitz	EVP & CFO	919	2,756	3,216	3,675
Marwan Fawaz	EVP & CTO	852	2,555	2,981	3,407
Grier Raclin	EVP & GC & Sec	852	2,555	2,981	3,407
Ted Schremp	EVP & CMO	627	1,881	2,195	2,508
Kevin Howard	VP, Cont & CAO	366	1,097	1,280	1,463
Total Executives		**9,819**	**29,456**	**34,366**	**39,275**
		Multiple of Base and Target	*3.0x*	*3.5x*	*4.0x*
Total Other Participants		**$1,667**	**$3,334**	**$4,167**	**$5,001**
Total RVP Participants		**$11,486**	**$32,790**	**$38,533**	**$44,276**
		Multiple of Base and Target	*2.0x*	*2.5x*	*3.0x*

The RVP sparked a strongly negative reaction among Committee members including Crestview. Management insisted upon making the agreement conditional upon the acceptance of the RVP, but finally yielded and agreed to defer the RVP discussion to a later date (i.e., during our due diligence) after the Committee put heavy pressure on management to back down.

During the due diligence period, the Committee hired Mercer, to perform an assessment of the RVP and the accompanying report prepared by Towers Perrin. Based on Mercer's analysis, the compensation in the proposed RVP was significantly above market. Additionally, the RVP misaligned interests, as the management team was incented to prolong the restructuring and earn greater compensation.

Using the analysis provided in Mercer's report, the Committee came up with a counterproposal to the Company's RVP as summarized below.

($ in thousands) Executives (Insiders)	Title	LTIP Mar-09	Mercer RVP Target	Cash Awards Year 1	Year 2	Year 3	Total	Proposed Total Payments	Company Proposed RVP [1]
Neil Smit	President & CEO	$6,000	$6,000	$2,500	$2,500	$2,500	$7,500	$13,500	$13,500
Michael Lovett	EVP & COO	2,380	2,380	910	910	910	2,731	5,111	5,111
Eloise Schmitz	EVP & CFO	765	765	664	664	664	1,991	2,756	2,756
Marwan Fawaz	EVP & CTO	765	765	597	597	597	1,790	2,555	2,555
Grier Raclin	EVP & GC & Sec	765	765	597	597	597	1,790	2,555	2,555
Ted Schremp	EVP & CMO	765	765	372	372	372	1,116	1,881	1,881
Kevin Howard	VP, Cont & CAO	80	80	339	339	339	1,017	1,097	1,097
Total Executives		$11,520	$11,520	$5,979	$5,979	$5,979	$17,936	$29,456	$29,456
Total Other Participants		$309	$309	$1,008	$1,008	$1,008	$3,025	$3,334	$3,334
Total RVP Participants		$11,829	$11,829	$6,987	$6,987	$6,987	$20,961	$32,790	$32,790

(1) Per Towers Perrin report.

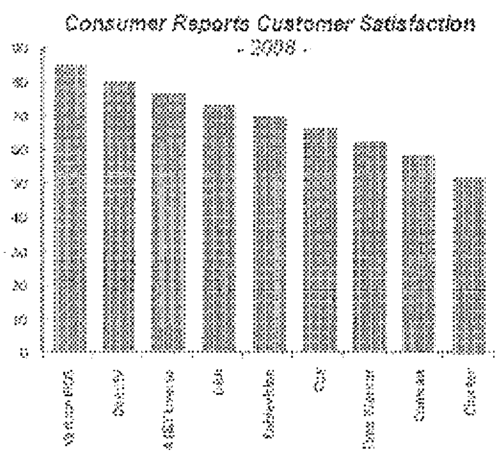
The Committee's RVP brings the restructuring compensation reward in-line with precedent pre-arranged bankruptcy RVPs while leaving the total payout to the key senior executives unchanged. The cash awards incremental to the team's current long-term incentive plan, would be paid out over the course of three years

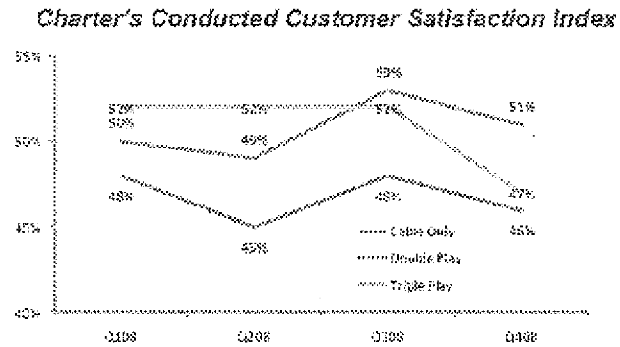
upon the achievement of specified performance targets. The counterproposal would also realign management's interests to get the restructuring done as efficiently as possible and keep the management team motivated to continue their work after the transaction and grow shareholder value. In addition to the proposed RVP and performance bonuses, we have agreed to issue at least 3% in options to the management team. Jeff Marcus and Eric Zinterhofer from Apollo were expected to deliver the Committee's counterproposal to Neil Smit in-person on March 6th in New York.

10.6 Customer Service Reputation

According to general consumer reports, Charter ranks the lowest on customer satisfaction among major video providers. Calling intensity of 5.7 calls per RGU annually is 80% above benchmark levels. In addition, average handle time ("AHT") of 8 minutes is 35% greater than best practice. Charter also reported lower satisfaction scores among higher income customers that are most likely to be targeted by AT&T and Verizon. Although, customer service indexes have improved in the recent years, it will take time to change customer perception.

The chart below is a summary of Charter's customer satisfaction performance.





Based on conversations with Neil Smit, we believe that improving the level of customer satisfaction has been a key focus of the Company over the past two years. The Company has made great strides in improving customer service. It all started with improving the quality of the plant as more than 50% of all customer calls were related to technical issues. By 2010, Charter plans to have the customer service tools and procedures to undertake a systematic approach to quality improvement and address the current issues around performance levels. We think that upon emergence, or shortly thereafter, it would make sense to re-brand the Company, as it takes a while for perception to catch up to reality. The Company's reputation for poor customer satisfaction is a key risk to our potential investment.

10.7 Cost-Saving Opportunities

Over the past two years, management has done an effective job of streamlining operations by implementing a shared services organization structure, consolidating call centers operations and reducing the number of plant headends. As discussed before, Charter has reduced its internal care centers from 15 to 8 and increased its external care centers from 5 to 14. Currently ~40% of customer care calls are outsourced which has reduced cost per call to $0.86/min. According to Herb Hribar, our consultant on customer service/network diligence, there is further opportunity to outsource operations to up to 70%. It is estimated that by 2013 there is potential to realize up to $50 million in new cash flow through improved customer care operations and reduced costs.

Charter currently lags ILECs in quality of service delivery. Herb believes that Charter has potential to drive cost and quality of low performing KMAs to best practice. Churn could also be reduced to an average of 2.5% across all products through increased bundling and proactive marketing retention. The Company would generate up to $200 million in additional annual cash flow by 2013 if it could lower churn to this level. Herb

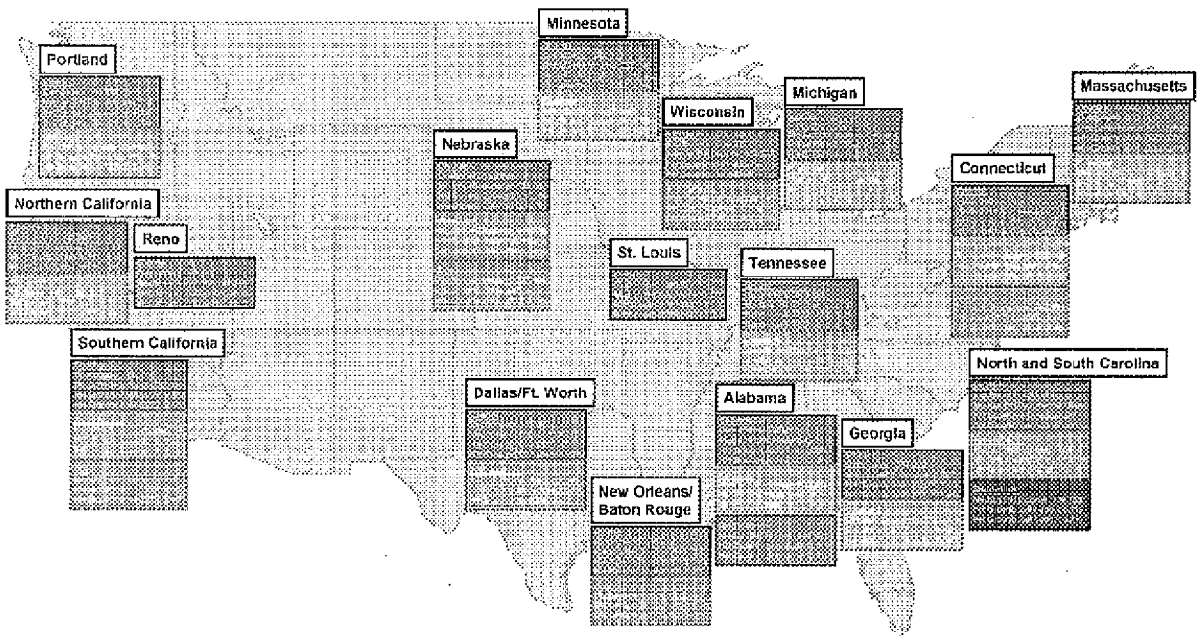
also believes that the cost of service operations can be reduced from 7.7% of revenues to 'best practice' of 7.0%, generating up to $50 million of new cash flow by 2013.

The Company can also realize additional cost savings by rationalizing its real estate holdings. Many of the facilities (the majority of which are Company owned) we toured on our due diligence trips were relatively unoccupied and could be consolidated to streamline facility operating costs. Other potential areas of cost savings include plant consolidations through system swaps, conservative salary increases (management projects increases of 3.5% annually), cost-savings in CPE prices (~$65 million through 2013) and consolidation of in-source billing system ($40-$50 million by 2013).

These initiatives, if implemented, could generate total cost savings in excess of $400 million which should drive Charter's margins more in-line with those of its peers. In 2008, the Company's EBITDA margin of 35.8% was well below the MSO average of 38.8%, and even below OneLink's of 36.9%.

10.8 System Swaps

There are a number of attractive system swap opportunities that would allow the Company to consolidate its geographic footprint and cluster its systems. The map below shows Charter's markets and adjacent MSO markets.



Based on conversations with Neil Smit, we believe that Charter will have the opportunity to swap its poor-performing Los Angeles cable systems for Time Warner's Wisconsin cable systems. This interest was reconfirmed during Jeff Marcus' recent meeting with Time Warner CFO, Robert Marcus at the Deutsche Bank Media conference. Additionally, both Comcast and Time Warner have expressed interest in acquiring the Company's Worchester and Texas cable systems, respectively. Charter would realize enormous benefits from these transactions through cost rationalizations and improved marketing efficiency which would lead to improved operating margins. Additionally, any tax leakage resulting from any system swaps could be shielded by the Company's NOLs. The Company would also be allowed to keep its original basis which would most likely be higher than the assets of its swap partner.

10.9 Exit Strategy

We believe that Charter, with its footprint and significant subscriber base, is a strategic asset that will eventually generate a lot of M&A interest from large MSOs such as Comcast and Time Warner, private equity firms looking for a cable platform and sponsor-backed cable companies such as Insight and Suddenlink. As

mentioned previously, the purchase of Charter would generate meaningful cost synergies and significant tax savings.

We estimate that a large MSO would realize a 20% benefit in programming savings, a 75% reduction in corporate overhead and approximately 15% in general & administrative savings. The table below summarizes the potential synergies and costs in such a transaction.

Synergy Potential / Costs	
Programming	▪ Approx. 20% programming benefits
Corporate Overhead	▪ St. Louis corporate operations ▪ One time costs: severance and office space termination payments ▪ Approx. 75% corporate overhead savings
Regional and District Level Savings	▪ Contiguous properties should allow for regional overhead reduction ▪ District level to be evaluated ▪ Call center consolidation o Some interconnects already in place
HSI Bandwidth and Billing	▪ Potential savings based on better per sub prices ▪ Billing system rationalization
Insurance	▪ Potential synergies based on better per sub prices
Equipment	▪ Pricing on STBs, switches, plant maintenance
Potential Costs	▪ Call center integration ▪ STB integration ▪ Branding ▪ Friction from integration, channel lineup changes, new programming, etc.

Additionally, as discussed in the *Tax Attributes* section, the Company would have approximately $2.9 billion of NOLs without limitation, an additional $2.7 billion with $124 million per year limitations and approximately $7.5 billion of basis.

As illustrated in the table below, the potential synergies and tax attributes would allow a strategic acquiror to buy Charter for a higher multiple than the MSOs trading multiple and still be accretive.

Implied Purchase Price Assuming 12/31/13 Exit	
$ in millions	
Exit Assumptions:	
2013e EBITDA (1)	$3,270
Assumed exit multiple	6.0x
Total purchase price	$19,623
Synergies Assumptions:	
Programming benefits (20.0% savings)	$452
G&A & customer care savings (15.0%)	162
Corporate overhead savings (75.0%)	105
Total Synergies	$719
2013e EBITDA including synergies	$3,989
Implied purchase multiple post-synergies	4.9x
Tax Benefits:	
Value of NOLs (2)	$1,400
Estimated NPV of above-average basis (3)	800
Total present value of tax attributes	$2,200
Implied purchase price post-synergies/tax benefits	$17,423
Implied purchase multiple post-synergies/tax benefits	4.4x

(1) Based on Management Case projections
(2) Assumes a 40% tax rate, 10% discount rate, 5.5% applicable federal rate and no NUBIG
(3) Assumes a blended average 8-year depreciable life of tax basis, a 10% discount rate and that the average cable company has a tax basis equal to 20% of TEV

These calculations are very rough estimates, especially the value of the tax attributes. It is difficult to predict the NOL restrictions post-merger and accompanying NUBIG calculation so we attempted to erre on the conservative side. We calculated that an exit in 2013 would generate $719 million in cost synergies and $2.2 billion in tax savings for a large MSO. This implies a 1.6x reduction to the effective purchase multiple for a strategic buyer at a 6x purchase multiple.

Charter has already generated a lot of interest from large private equity firms that view this as one of the last large cable platforms available to purchase in the US. In the past few weeks, UBS has received calls from Goldman PIA, Carlyle, Providence and Blackstone, who were all trying to find a way to meaningfully participate in the $1.6 billion rights offering.

11. Valuation Analysis

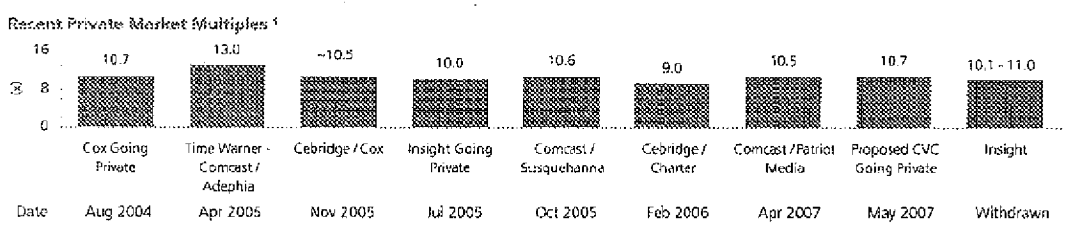
11.1 Publicly Traded Comparables & Precedent Transactions

As of March 4, 2009

	Comcast		Time Warner Cable	Charter		Cablevision			Mediacom	
	WholeCo	Cable Only	Book Value	Book Value	Market Value	WholeCo (BV)	Cable (BV)	Cable (MV)	Book Value	Market Value
Current Stock Price	12.74	12.74	18.71	0.02	0.02	11.60	11.60	11.60	3.87	3.87
Equity Value	35,978	35,978	18,280	18	18	3,444	3,444	3,444	257	257
Enterprise Value	62,694	54,035	31,074	20,753	12,574	13,988	9,187	8,402	3,506	3,351
TEV / EBITDA										
2008a	4.8x	4.1x	5.0x	9.0x	5.4x	6.1x	4.5x	4.1x	6.8x	6.5x
2009e	4.6x	4.0x	5.0x	8.4x	5.1x	5.7x	4.3x	3.9x	6.8x	6.5x
2010e	4.5x	3.9x	4.8x	7.8x	4.8x	5.4x	4.1x	3.7x	6.5x	6.2x

As shown above, public cable companies are currently trading at 4-6x 2009e EBITDA (excluding Mediacom), down from historical averages of 7-9x. Comcast and Time Warner are trading at 4.6x and 5.0x 2009e EBITDA, respectively.

The table below shows cable transactions completed over the last five years and the EBITDA multiples paid.



Source: UBS and Wall Street research
Note:
1 Insight multiples reflect bid / ask of $2.75 billion and $3.0 billion in 2007 auction process

As can be seen in the chart above, private market multiples have remained healthy even though public market values have eroded significantly.

11.2 Charter Valuation

Our proposed purchase price of 6.1x for the Management Case (6.27x and 6.41x for the Base Case and Downside Case, respectively) represents a premium to current public cable company valuations. However, we still believe that Charter represents the more attractive investment opportunity than Comcast and Time Warner for the following reasons:

- **Tax Assets:** Charter will have approximately $5.0 billion in NOLs and a $3.5 billion basis step-up to an already high depreciable tax base to shield future income from taxes and pass on to a potential strategic acquiror.
- **Attractive Capital Structure:** Charter will have 5.3x leverage at a blended rate of approximately 6-7%, helping the Company generate a projected free cash flow yield of approximately 23% in 2010
- **Higher Growth Rate:** Charter has a higher projected growth rate due to its later deployment of advanced services and weaker Telco competition (FiOS is expected to overbuild only 8% of Charter territories by 2014)

- ➢ **Attractive Exit Alternatives:** Charter's size, attractive markets, potential cost synergies and tax attributes make it an attractive acquisition candidate for a large MSO
- ➢ **Greater Control:** Crestview would own approximately 12% of the total Company and Jeff Marcus would most likely be Chairman of the Board
- ➢ **Knowledge of the Company:** Marcus Cable still comprises about 20% of Charter. We have also spent the last thirty days conducting extensive, non-public due diligence on the Company
- ➢ **Attractive Free Cash Flow Yield:** Charter's attractive tax attributes coupled with a reasonably priced capital structure lead to industry high cash flow yields. The analysis below compares Charter's cash flow yield to that of its peers.

Levered Free Cash Flow Yield Analysis [1]
Based on 2009 Estimates
$ in millions

	[illegible]	[illegible]	[illegible]
EBITDA	$2,457	$13,552	$6,276
Net interest expense	(827)	(2,320)	(1,334)
Cash taxes	(8)[3]	(1,315)	(116)
Capex	(1,173)	(5,429)	(3,257)
Change in working capital [4]	0	0	0
Levered FCF	449	4,489	1,568
Equity value	$2,149[5]	$35,978	$18,280
Levered FCF yield	**20.9%**	**12.5%**	**8.6%**

(1) Comcast and TWC estimates based on Wall Street research consensus.
(2) Charter estimates based on Management Case
(3) Charter pays approximately $8 million of state taxes annually
(4) Assumes normalized working capital of zero for all comps
(5) Based on valuation valuation post-rights offering

As illustrated above, Charter has a significantly higher free cash flow yield than Comcast and Time Warner despite its EBITDA valuation premium.

12. Investment Highlights

- ➢ *Strong Projected Returns*
  - Pro rata investment returns for a 5.5% EBITDA CAGR case are in excess of 40% IRR and 4x ROI for exit multiples ≥ 6.25x
- ➢ *Attractive Valuation Relative to Historical Industry Averages*
  - Public cable companies have historically traded in the 7-9x EBITDA multiple range
  - Private transactions have historically been completed in the 9-12x EBITDA multiple range
- ➢ *Attractive Exit Alternatives*
  - Charter is an attractive acquisition candidate for both Time Warner and Comcast (assuming the subscriber cap is adjusted or removed) given its attractive markets and size as well as for smaller strategics and private equity firms who would be interested in certain systems and regions
  - Synergies from programming and high speed internet (HSI) savings could be worth 1x of EBITDA in a merger scenario
  - We believe that in a normalized market a strategic would pay 7-8x for this asset
- ➢ *Appropriately Levered and Reasonably Priced Capital Structure*
  - Pro forma for the rights offering, the Company would be levered at 5.3x 2009e EBITDA
  - The average cost of the debt would be approximately 6-7%
- ➢ *Resiliency of Cable Sector in Economic Downturns*
  - Cable companies have historically fared well even in economic downturns
  - With 2009 earnings visibility nonexistent in most sectors, cable seems to be one of the safer potential investment areas
- ➢ *Significant Tax Attributes*
  - Pro forma for the restructuring, Charter will have $3.5 billion of basis step-up and $5.0 billion in NOLs
  - Charter will not pay any meaningful taxes in the near future

- These tax attributes could be very valuable to a potential strategic acquiror
- *Familiarity with the Company*
    - Marcus Cable still comprises 20% of Charter
    - We invested in the CCH I bonds over 2.5 years ago and have followed the Company closely since
    - We conducted 30 days of extensive, non-public due diligence on the Company
- *Strong Management Team*
    - Charter's performance has turned around and is closing the gap with its peers in the industry since Neil Smit (President & CEO) came to the Company in 2005
    - Neil Smit greatly impressed our deal team and all of our due diligence advisors
    - We were also very impressed by COO, Michael Lovett, CTO Farwan Fawaz and CMO, Ted Schremp
- *Higher Growth Potential Relative to its Peers*
    - Charter lags its peers in terms of HSI, phone and advanced services penetration due to later deployment
    - Current EBITDA margin of 35.8% (FY2008a) is significantly lower than the large MSOs (~38.8%) and even trails OneLink (36.9%)
- *Manageable Telco Competition*
    - Verizon is only expected to overbuild approximately 8% of Charter's territories by 2014
    - AT&T is expected to overbuild approximately 35% of its territories by 2014, but U-Verse is less of a threat given its fiber to the node strategy and slowing deployment (AT&T announced it was going to slow its capital expenditures and focus on its wireless business)
    - To date, Telcos have built out video in only approximately 18% of Charter's market by homes passed
- *Impressive Recent Financial Performance*
    - Charter has experienced double-digit EBITDA growth for the last nine quarters

13. Risks and Mitigants

Risks	Mitigants
▪ **Investment Concentration** ○ Assuming we will need to pay off the Deutsche Bank loan in June with equity, we would invest a combined \$321 million (net of interest payments received) of equity in Charter (Fund I – \$152 million; Fund II – \$169 million)	▪ We will most likely be able to exit our investment in stages after the company goes public ▪ We will still be at or under the 10% investment threshold for both Fund I and Fund II
▪ **Plan Valuation at Premium to Current Comps** ○ The large, public MSOs are currently trading at 4-6x EBITDA	▪ Private market multiples are still significantly higher than public multiples (8-10x in 2007 and 2008) ▪ There would be approximately 1.5x of cost synergies and tax savings in a merger scenario with a larger MSO
▪ **Minority Ownership Position** ○ Even with a \$169 million equity investment out of Fund II, Crestview would own no more than 12% of the Company	▪ Jeff Marcus would most likely become Chairman of the Company ▪ Committee members find Jeff Marcus's cable industry experience valuable and would likely seek his guidance on business strategy, giving Crestview greater influence on the Company ▪ Crestview has very good relationships with Apollo and Oaktree, who would be the two largest shareholders of the Company
▪ **Public Valuation** ○ Post-restructuring, Charter will be publicly traded and subjected to a market-based valuation	▪ Cable company valuations should recover over time and reach normalized levels ▪ Charter should trade at a premium given significant M&A potential, favorable tax attributes and attractive capital structure ▪ There appear to be many private equity buyers in the market that are interested in Charter
▪ **Significant Leverage** ○ Post-restructuring, the Company will be levered at 5.3x	▪ The Company is expected to generate substantial free cash flow even in our Downside Case (\$2.1 billion in a 4.25 year period)

	▪ Fixed coverage ratio in 2009 is expected to be 1.3x ▪ The restructured Company would be free cash flow break-even at approximately $2.1 billion of EBITDA, or 14% lower than 2009e EBITDA of $2.46 billion
▪ **Debt Maturities** o The Company has $1.1 billion and $2.1 billion of maturities due in 2012 and 2013, respectively, before the entire bank loan matures in 2014	▪ Charter will generate sufficient free cash flow to repay debt maturities through 2013 at EBITDA CAGRs of 2.5% and higher assuming slower capital expenditure spend in a low-growth scenario
▪ **Poor Customer Satisfaction** o Charter ranks the lowest on customer satisfaction among major MSOs	▪ Company has demonstrated significant progress over the past couple of years ▪ Improving customer care operations is now a key area of focus for management ▪ There is a good opportunity for re-branding upon emergence

14. Due Diligence

Over the past several weeks, Crestview along with the other restricted bondholders conducted extensive non-public due diligence on the Company. The diligence process was led by Crestview and Apollo and involved numerous meetings with Charter's senior management team, site visits and conference calls.

14.1 Advisors

We hired advisors/consultants to assist us with analyzing several diligence topics as listed below:

Summary of Advisors

Topic	Advisor(s)	Role
Markets / Competition	Altman Vilandrie – media and communications-focused consulting firm that specializes in cable and Telco strategy	Assisted us with building a detailed bottoms-up revenue model and analyzed the competitive landscape, customer demographics, product offering and company sales strategy
Company Operations	Herb Hribar – Mr. Hribar is formerly the COO of Kabel Deutschland, COO of Cablecom and MD of Eircom. Herb had been engaged on a number of similar cable assignments with other private equity firms, bringing invaluable experience and knowledge expertise throughout our diligence process.	Provided views on company operations relating to networking, product performance, capex, customer service / retention and churn.
Accounting / Tax / HR / Insurance / IT	PricewaterhouseCoopers ("PwC")	PwC performed accounting, tax, HR, insurance and IT due diligence on the Company.
Legal / Regulatory	Paul Weiss, Chadbourne & Parke	Paul Weiss performed legal, environmental and credit agreement due diligence. Chadbourne reviewed Charter's franchise agreements and regulatory compliance.
Programming	Anchor Pacific	Anchor Pacific reviewed Charter's programming contracts and analyzed the Company's video programming expense projections.
Restructuring Value Plan ("RVP")	Mercer	Provided an assessment of management's proposed Restructuring Value Plan and recommended an alternative more in line with market.

14.2 Due Diligence Synopsis

The restricted bondholder group held its first meeting with Charter's senior management on January 27th in New York. Attendees from Charter included Neil Smit (CEO), Michael Lovett (COO) and Eloise Schmitz (CFO). Jeff Marcus, Barry Volpert and Bob Delaney attended the meeting from Crestview's team. The management team presented a detailed overview of the Company's operations, 2008 performance and high level 2009 projections.

Neil and Eloise subsequently followed up on February 4th in New York with a more detailed presentation on the 2009 budget and the Company's five-year projections. The meeting was attended by a larger audience including Crestview's broader deal team. Although the discussion involved more Q&A between the restricted bondholder group and management than in the January 27th session, we did not have the opportunity to drill down on the projections.

Upon Charter's acceptance of our commitment letters and term sheet, the restricted bondholder group entered the thirty-day diligence period. We kicked off the diligence process during the week of February 16th with a two-day visit to the Company's headquarters in St. Louis. The Crestview team as well as the other restricted bondholders met with key members of management. Charter's management team conducted a series of presentations, addressing the following topics:

February 17th-18th St. Louis Diligence Session – Management Presentations

Topic	Presenters	Summary Discussion Points
Networking / Capex	**Marwan Fawaz**, Chief Technology Officer **Matt Bell**, Vice President, IP Engineering & Development **Keith Hayes**, Vice President, Network Operations and Engineering Services	▪ Network overview ▪ Video platform overview ▪ IP network architecture ▪ Network engineering and operations support ▪ Capital expenditures
IT / Customer Care	**Joe Stackhouse**, Senior Vice President, Customer Operations **Tracy Pitcher**, Vice President, Care Operations	▪ Care center operations overview ▪ Customer care strategy (Enterprise CEI+) ▪ Historical customer care performance and key statistics (service level, average speed of answer, abandonment rate, average handling time, revenue per call, etc.)
Company Operations / Marketing Strategy	**Neil Smit**, President & CEO **Ted Schremp**, Senior Vice President, Chief Marketing Officer	▪ Overview of company operations, strategy, key statistics ▪ Details by KMA ▪ Market demographics ▪ Telco competition ▪ Marketing strategy by product ▪ Acquisition, migration and retention strategies
Programming / Retransmission Content	**Greg Rigdon**, Senior Vice President, Business Development of Programming	▪ Current Charter packaging ▪ Programming expense and deal renewals ▪ Current and future open deals ▪ Retransmission consent
Financial Model	**Eloise Schmitz**, CFO	▪ 2008 review (vs. budget and prior year) ▪ Detailed review of 2009 budget including monthly budget ▪ Drill down of management projections

The St. Louis visit also included a tour of the Company's main call center and one its residential network operations centers. The Crestview team spent a significant amount of time with management during the St. Louis visit, and the senior partners of Crestview, Apollo and Oaktree – Jeff Marcus, Eric Zinterhofer and Ken Liang – had the opportunity to spend quality time with Neil and were very impressed by his leadership skills, determination and relationship with the rest of the management team.

Subsequent to the trip to St. Louis, the deal team and our advisors held conference calls with Charter's management to discuss several other diligence topics. The table below provides a summary of the conference calls:

February 19th-20th Conference Calls

Topic	Participants	Summary Discussion Points

Tax Issues	Eloise Schmitz, CFO
	Charter Tax Team
	Ernst & Young, Charter's accountants
	Kirkland & Ellis, Charter's legal counsel
	PwC
	Paul Weiss
	UBS
	Houlihan
	Bondholder group
		▪ Review of NOLs
		  o Expiration dates
		  o Potential section 382 limitations
		▪ Discussion of basis step-up
		▪ Capital account balances and other Charter Holdco LLC tax issues
		▪ Break-up and asset sale analysis
		▪ Overview of open federal tax items and material tax issues
		▪ Overview of state and local taxes
		▪ Analysis of potential property and state taxes

HR / Benefits / Insurance	Eloise Schmitz, CFO
	Charter HR Team
	Charter Treasurer
	Charter General Counsel
	PwC
	Paul Weiss
	UBS
	Houlihan
	Bondholder group
		▪ Review of organizational structure
		▪ Review of current employee benefit plans
		  o Salary
		  o Bonus
		  o Commission
		  o Benefits and medical plans, premium costs and employee contribution rates
		▪ Historical and current workers compensation claims
		▪ Employee complaints and litigation
		▪ Employee turnover analysis
		▪ Employee handbook
		▪ Review of current insurance policies
		▪ Key personnel / background

Regulatory / FCC Issues	Charter General Counsel
	Paul Weiss
	Chadbourne & Parke
	UBS
	Houlihan
	Bondholder group
		▪ Review of any potential regulatory issues (i.e., access tariffs, VOIP regulation)
		▪ Review of local regulations relating to video, voice or data services
		▪ Competitors licenses
		▪ Status of franchise rights and potential issue related to transfer / extension of rights
		  o State versus local franchise rights
		  o Schedule of expirations

IT / Reporting Systems	Marwan Fawaz, CTO
	Head of IT
	Herb Hribar
	PwC
	UBS
	Houlihan
	Bondholder group
		▪ Key IT architecture
		  o KPI reporting
		  o Key vendors / annual spend
		  o Software and hardware architecture
		▪ Overview of IT / reporting systems
		  o Preventative maintenance programs
		  o Proof of performance testing
		  o Outage logs
		  o Other reporting
		▪ Discussion of hardware expenses and software licensing fees
		  o Company systems and infrastructure
		    ▪ Lockbox, HR system, payroll system
		    ▪ Desktops, laptops, handhelds, mobiles, peripherals, servers, printers, collections
		  o Software contracts (license and maintenance agreements)
		    ▪ Business, email, security, anti-virus, accounting, general ledger, collections
		    ▪ Interactive program guide (vendor, software version in use)
		    ▪ Middleware deployment (vendor and software version)
		  o Documentation (system, user, operator, technical,

		change management)
		o Workforce management system
		▪ Outsourcing and consulting arrangements
		▪ Major IT projects and associated ROI spend

From February 25th-26th, the deal team made site visits to the Company's key facilities in Wisconsin, Minnesota and Los Angeles. The Apollo and Crestview deal teams were accompanied by Neil Smit, Michael Lovett, Steve Apodaca (President of West Operations Group) and Larry Kaschinske (VP of Finance). We met with the KMA management teams and took tours of the hub distribution center in Madison and lobby and call centers in all three of the markets.

On March 2nd, we had a call with Eloise Schmitz and the rest of the finance team to review the Company's monthly 2009 cash budget.

14.3 Selected Diligence Findings

Quality of Earnings Report

PwC analyzed the quality of Charter's FY2006-2008 EBITDA and concluded that the historical numbers were mostly clean with very few adjustments that were immaterial. PwC commented that cable businesses are generally clean and intuitive business models with few moving parts, so this outcome was expected.

Tax

The Company could face up to a $35 million tax charge in the state of Michigan for COD income. Paul Allen cannot be legally bound to make the Company-preferred taxable exchange post-restructuring, but he is highly incented to do so. The IRS could rule that the Section 382 limit for the annual NOL usage should be $2 million instead of the $124 million because the value of the Holding Company should not include the value of the assets held at HoldCo. This would be a very weak argument. There is risk and upside to the allocation of the NUBIG from current estimates. Allocation away from the favorable financing to franchises would result in more restrictive NOL usage.

Regulatory Issues

Chadbourne did not find any major issues while reviewing regulatory documents but found Charter's regulatory team to be fairly disorganized. It was determined that ~5% of the Company's franchises, covering ~5% of its analog subscribers, were expired and that less than 0.5% do not have FCC 626 letters on file. Charter expects ~8% of its franchises to expire by the end of 2009. There are no regulatory litigation situations that would result in a material liability for the Company. Upon reviewing pole attachment agreements, it was determined that Charter is likely to incur a moderate increase in pole attachment costs as the FCC determines a higher rate applicable for VoIP-based telecommunication services.

Legal Issues

Paul Weiss believes that, at this point, there are no material issues that would adversely affect the proposed restructuring. Upon reviewing vendor contracts, particularly for set-top boxes and call centers, it was determined that certain vendors, upon Charter filing for bankruptcy, could terminate their contracts if such default is not cured within an applicable grace period. However, Paul Weiss believes that such clauses are generally not enforceable and that it is in the bankruptcy court's discretion to allow for such termination. The Company also listed that it currently has 59 settled/pending lawsuits which are not expected to have a material impact on its financial health.

15. Next Steps / Schedule

- Backstop parties to remove due diligence condition from their commitment on March 12th
- The Company plans to file the restructuring plan and disclosure statement between March 13th and April 1st – these filings would commence Chapter 11 proceedings
- Bankruptcy Court approves the plan – most likely within 50 days
- Need two weeks to finalize all of the documents
- Need 3-4 weeks to solicit acceptances for the plan
- During the solicitation of the votes, CCH I holders can shop their detachable rights
- CCH II holders need to decide if they want to roll their debt or take cash
- Return to bankruptcy court to get final plan approval
- Wait for all of the conditions to be satisfied such as franchise and FCC approvals
- Close and emerge from bankruptcy
- Charter to list shares on exchange in 45 days to satisfy mutual fund holder liquidity requirements

16. Recommendation

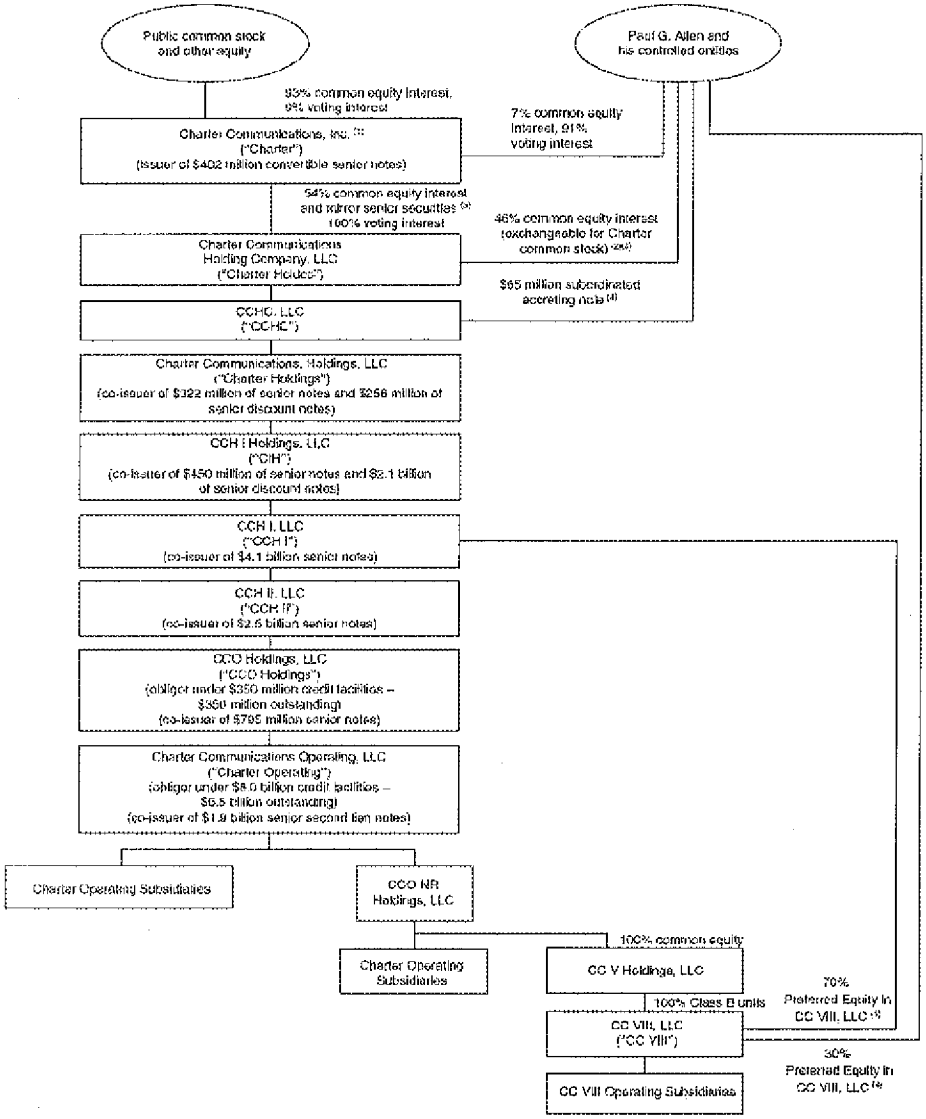
We recommend that Crestview firm up its current non-binding commitment to invest up to $225 million in the $1.6 billion rights offering priced at a valuation of 6.1x 2009e EBITDA. Our investment would be comprised of our approximate $56 million pro rata share of the rights offering from our ownership of $138 million of face of the CCH I bonds and up to an additional $169 million as part of the rights offering backstop. If the rights offering is fully subscribed, our total investment would likely come down to $139 million.

17. Exhibits

Exhibit A – Company Organizational Structure
Exhibit B – Rights Offering Returns Analysis Model Summary
Exhibit C – Excerpts from Herb Hribar's Diligence Report
Exhibit D – Excerpts from Altman Vilandrie's Diligence Report
Exhibit E – Rights Offering Subscription Schedule
Exhibit F – Recent News Articles

Exhibit A – Company Organizational Structure

The chart below sets forth the Company's organizational structure:



The equity ownership, voting percentages, and indebtedness amounts shown below are approximations as of December 31, 2007, and do not give effect to any exercise, conversion or exchange of then outstanding options, preferred stock, convertible notes, and other convertible or exchangeable securities.

(1) Charter acts as the sole manager of Charter Holdco and its direct and indirect limited liability company subsidiaries. Charter's certificate of incorporation requires that its principal assets be securities of Charter Holdco, the terms of which mirror the terms of securities issued by Charter.

(2) These membership units are held by Charter Investment, Inc. ("CII") and Vulcan Cable III Inc., each of which is 100% owned by Paul G. Allen, Charter's Chairman and controlling shareholder. They are exchangeable at any time on a one- for- one basis for shares of Charter Class B common stock, which in turn are exchangeable into Charter Class A common stock on a one- for- one basis.

(3) The percentages shown in this table reflect the 24.8 million shares of Class A common stock outstanding as of December 31, 2007 issued pursuant to the Share Lending Agreement. However, for accounting purposes, Charter's common equity interest in Charter Holdco is 52%, and Paul G. Allen's ownership of Charter Holdco through CII and Vulcan Cable III Inc. is 48%. These percentages exclude the 24.8 million mirror membership units outstanding as of December 31, 2007 issued pursuant to the Share Lending Agreement.

(4) Represents preferred membership interests in CC VIII, a subsidiary of CC V Holdings, LLC, and an exchangeable accreting note issued by CCHC related to the settlement of the CC VIII dispute.

Exhibit B – Rights Offering Returns Analysis Model Summary

MANAGEMENT CASE

Crestview Investment in Rights Offering	$mm
Fund I investment - pro rata [1]	$56.4
Fund II investment - backstop	$168.6
Total investment	$225.0
Total capital committed	$225
Crestview commitment fee earned (3.0%)	$6.8

Crestview Equity Ownership	
Fund I	
Ownership from existing CCH I bonds [1]	0.6%
Ownership from pro rata share of rights offering	2.7%
Total	3.4%
Fund II	
Backstop	8.1%
Total Crestview ownership	11.5%

Model Assumptions	
Reorganization multiple	6.18x
2009e Plan EBITDA	$2,457
Exit multiple	6.5x
Rights offering discount	25.0%
Rate for new CCH II notes	13.5%
Value of Vulcan's CCVIII	$150
Vulcan post-money tip	3.0%
Commitment fee	3.0%
Preferred PIK rate	15.0%
CCH II notes to Vulcan	$85

Options & Warrants	Pre-Money	Post-Money	Strike Price
Management options		3.0%	$2,149
Warrants to Vulcan		4.0%	$2,149
Warrants for junior debt holders:			
to CIH	5.0%	1.1%	$6,300
to CCH	1.0%	0.2%	$5,800
Total	6.0%	1.3%	

Sources & Uses

Sources	$mm	%
Rights Offering		
Crestview pro rata [1]	$56	3%
Crestview backstop	$169	10%
Other participants	1,404	86%
Proceeds from rights offering	$1,629	100%
Overallotment of Rights Offering:		
Proceeds from overallotment	$0	0%
Total proceeds from rights offering	$1,629	100%
CCH II new 13.5% notes	$267	
Rolled CCH II notes	1,349	
Total sources	$3,244	

Uses	$mm	%
Cash out CCH II notes	$1,407	43%
Rolled CCH II notes	1,349	42%
Additional cash on balance sheet	488	15%
Total uses	$3,244	100%

Capitalization at 6.18x Reorganization @ 9/30/09

Pre-Rights Offering	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	$10,622	4.32x
CCOH debt	1,150	4.79x
CCH II debt	2,459	5.79x
CCH II accrued interest	297	5.91x
Total debt	$14,528	5.91x
Excess cash [2][3]	$570	(0.23x)
Net debt	$13,957	5.68x
Less: Vulcan debt tip	85	
Less: Value of warrants	62	
Less: Value of CCI PIK preferred	72	
Plus: Cash collateralized L/C facility	(150)	

Pre-Rights Offering Equity	$mm	% Own.
CCH I bondholders	$519	86.2%
Vulcan bank reinstatement tip	83	13.8%
Total equity value	$602	100.0%
Total enterprise value	$14,629	5.95x

Post-Rights Offering	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	10,622	4.32x
CCOH debt	1,150	4.79x
CCH II new notes	1,701	5.48x
Total debt	$13,472	5.48x
Excess cash [3]	$346	(0.14x)
Net debt	$13,126	5.34x
Less: Vulcan debt tip [4]	0	
Less: Value of warrants	62	
Less: Value of CCI PIK preferred	72	
Plus: Cash collateralized L/C facility	(150)	
Less: Fees (paid in 4Q09)	82	
Less: Post-emergence restructing exp.	102	
Plus: Adjustments	(180)	

Post-Rights Offering Equity	$mm	% Own.
CCH I holders - pre-money equity	$402	18.7%
CCH I holders - rights offering equity	1,682	78.3%
Vulcan bank reinstatement tip	64	3.0%
Total equity value	$2,149	100.0%
Total enterprise value	$15,263	6.21x

Financial Summary Projections

	FYE 12/31/08	FYE 12/31/09	3 Mo. Ended 12/31/09	FYE 12/31/10	FYE 12/31/11	FYE 12/31/12	FYE 12/31/13	'08-'13 CAGR
Key Financials								
Revenue	$6,467	$6,919	$1,772	$7,362	$7,830	$8,331	$8,808	6.4%
% growth		7.0%	n/a	6.4%	6.4%	6.4%	5.7%	
EBITDA	2,315	2,457	653	2,646	2,856	3,074	3,270	7.2%
% growth		6.1%	n/a	7.7%	7.9%	7.7%	6.4%	
% margin	35.8%	35.6%	36.9%	35.9%	36.6%	36.9%	37.1%	
Net cash interest expense			(207)	(845)	(900)	(885)	(817)	
Income taxes			(2)	(8)	(8)	(8)	(15)	
Δ in working capital			15	79	55	89	65	
Capex			(268)	(1,180)	(1,192)	(1,115)	(1,101)	
Bank debt amortization			(18)	(70)	(70)	(70)	(70)	
Debt maturities			0	0	0	(1,100)	(2,115)	
Commitment fee			(82)	0	0	0	0	
FCF after financing activities			$92	$622	$741	($14)	($763)	
Cash balance		446	539	1,161	1,902	1,888	1,125	
Funding gap		0	0	0	0	0	0	
Debt Capitalization Summary		@9/30/09 PF						
CCO debt		10,622	10,534	10,534	10,464	9,294	7,909	
CCOH debt		1,150	1,150	1,150	1,150	1,150	350	
CCH II new notes		1,701	1,701	1,701	1,701	1,701	1,701	
Total debt		$13,472	$13,385	$13,385	$13,315	$12,145	$9,960	
Total cash		446	539	1,161	1,902	1,888	1,125	
Net debt		13,026	12,846	12,223	11,413	10,257	8,835	
CCI PIK preferred note		72	75	86	99	114	131	
LIBOR rate			1.5%	1.8%	2.7%	3.4%	3.8%	
Credit Statistics								
Interest coverage ratio [5]			3.12x	3.07x	3.07x	3.33x	3.86x	
Fixed charge coverage ratio [6]			1.42x	1.57x	1.66x	1.97x	2.37x	
		Covenant						
Total 1st lien CCO leverage		4.00x	2.98x	2.92x	2.69x	2.48x	1.93x	
% cushion			25.4%	27.0%	32.8%	37.9%	51.7%	
EBITDA cushion			$410	$617	$844	$1,080	$1,622	
		Covenant						
Total CCO leverage		5.00x	3.86x	3.79x	3.50x	2.89x	2.32x	
% cushion			22.7%	24.3%	30.1%	42.1%	53.6%	
EBITDA cushion			$336	$539	$763	$1,216	$1,689	
Total leverage			5.48x	5.06x	4.66x	3.95x	3.05x	
Net leverage			5.26x	4.62x	4.00x	3.34x	2.70x	

Valuation @ Exit (12/31/13)	
FY2013e EBITDA	$3,270
Exit multiple	6.5x
Total enterprise value	$21,258
Net debt @ 12/31/13	(8,835)
CCI PIK preferred note	(131)
Equity value	$12,293
Less options/warrants:	
Management options (3.0%)	(304)
Warrants to Vulcan (4.0%)	(406)
Warrants to CIH (1.1%)	(76)
Warrants to CCH (0.2%)	(14)
Equity value adj. for options/warrants	$11,493

Returns Analysis	
CCH I Bond Recovery	
Equity value @ 0.6% ownership	$74
Face value of CCH I bond investment	138
Recovery	53.9%
Fund I Return	
Crestview equity @ 3.4% ownership	$386
Add: Net interest received	23
Less: Repayment of Dune loan	(3)
Return on investment	$405
Equity invested	171
IRR	18.4%
ROI	2.37x
Fund II Return	
Crestview equity @ 8.1% ownership	$932
Backstop investment	169
IRR	49.5%
ROI	5.52x

Notes
1. Based on Crestview's $138 million investment in CCH I notes ($3,987 million total outstanding)
2. Excludes some cash outflow items that are incurred post rights-offering including $450 million swap payment, $150 million cash collaterization of L/Cs and other adjustments (timing of interest payments of $82.1 million and contingency amount of $30.0 million)
3. Excludes $100 million of maintenance cash
4. Vulcan debt tip of $85 million accounted for in CCH II new notes
5. Interest coverage ratio defined as EBITDA divided by gross cash interest expense
6. Fixed charge coverage ratio defined as EBITDA less capex divided by gross cash interest expense and bank amortization

BASE CASE

Crestview Investment in Rights Offering

	$mm
Fund I investment - pro rata [1]	$56.4
Fund II investment - backstop	$168.6
Total investment	$225.0
Total capital committed	$225
Crestview commitment fee earned (3.0%)	$6.8

Crestview Equity Ownership

Fund I	
Ownership from existing CCH I bonds [1]	0.6%
Ownership from pro rata share of rights offering	2.7%
Total	3.4%
Fund II	
Backstop	8.1%
Total Crestview ownership	**11.5%**

Model Assumptions

Reorganization multiple	6.18x
2009e Plan EBITDA	$2,457
Exit multiple	6.5x
Rights offering discount	25.0%
Rate for new CCH II notes	13.5%
Value of Vulcan's CCVIII	$150
Vulcan post-money tip	3.0%
Commitment fee	3.0%
Preferred PIK rate	15.0%
CCH II notes to Vulcan	$85

Options & Warrants

	Pre-Money	Post-Money	Strike Price
Management options		3.0%	$2,149
Warrants to Vulcan		4.0%	$2,149
Warrants for junior debt holders:			
to CIH	5.0%	1.1%	$5,300
to CCH	1.0%	0.2%	$5,800
Total	6.0%	1.3%	

Sources & Uses

Sources

	$mm	%
Rights Offering		
Crestview pro rata [1]	$56	3%
Crestview backstop	$169	10%
Other participants	1,404	86%
Proceeds from rights offering	$1,629	100%
Overallotment of Rights Offering:		
Proceeds from overallotment	$0	0%
Total proceeds from rights offering	$1,629	100%
CCH II new 13.5% notes	$267	
Rolled CCH II notes	1,349	
Total sources	$3,244	

Uses

	$mm	%
Cash out CCH II notes	$1,407	43%
Rolled CCH II notes	1,349	42%
Additional cash on balance sheet	488	15%
Total uses	$3,244	100%

Capitalization at 6.18x Reorganization @ 9/30/09

Pre-Rights Offering

	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	$10,622	4.32x
CCOH debt	1,150	4.79x
CCH II debt	2,459	5.79x
CCH II accrued interest	297	5.91x
Total debt	$14,528	5.91x
Excess cash [2][3]	$570	(0.23x)
Net debt	$13,957	5.68x
Less: Vulcan debt tip	85	
Less: Value of warrants	62	
Less: Value of CCI PIK preferred	72	
Plus: Cash collateralized L/C facility	(150)	

Pre-Rights Offering Equity	$mm	% Own.
CCH I bondholders	$519	86.2%
Vulcan bank reinstatement tip	83	13.8%
Total equity value	$602	100.0%
Total enterprise value	$14,629	5.95x

Post-Rights Offering

	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	10,622	4.32x
CCOH debt	1,150	4.79x
CCH II new notes	1,701	5.48x
Total debt	$13,472	5.48x
Excess cash [3]	$346	(0.14x)
Net debt	$13,126	5.34x
Less: Vulcan debt tip [4]	0	
Less: Value of warrants	62	
Less: Value of CCI PIK preferred	72	
Plus: Cash collateralized L/C facility	(150)	
Less: Fees (paid in 4Q09)	82	
Less: Post-emergence restrucing exp.	102	
Plus: Adjustments	(180)	

Post-Rights Offering Equity	$mm	% Own.
CCH I holders - pre-money equity	$402	18.7%
CCH I holders - rights offering equity	1,682	78.3%
Vulcan bank reinstatement tip	64	3.0%
Total equity value	$2,149	100.0%
Total enterprise value	$15,293	6.21x

Financial Summary Projections

	FYE 12/31/08	FYE 12/31/09	3 Mo. Ended 12/31/09	FYE 12/31/10	FYE 12/31/11	FYE 12/31/12	FYE 12/31/13	'08-'13 CAGR
Key Financials								
Revenue	$6,467	$6,795	$1,740	$7,122	$7,511	$7,924	$8,327	5.2%
% growth		5.1%	n/a	4.8%	5.5%	5.5%	5.1%	
EBITDA	2,315	2,410	641	2,547	2,715	2,890	3,026	5.5%
% growth		4.1%	n/a	5.7%	6.6%	6.5%	4.7%	
% margin	35.8%	35.5%	36.8%	35.8%	36.1%	36.5%	36.3%	
Net cash interest expense			(207)	(846)	(905)	(893)	(830)	
Income taxes			(2)	(8)	(8)	(8)	(8)	
Δ in working capital			14	58	42	73	71	
Capex			(268)	(1,180)	(1,192)	(1,115)	(1,101)	
Bank debt amortization			(18)	(70)	(70)	(70)	(70)	
Debt maturities			0	0	0	(1,100)	(2,115)	
Commitment fee			(82)	0	0	0	0	
FCF after financing activities			$79	$501	$582	($222)	($1,027)	
Cash balance		446	525	1,026	1,608	1,386	359	
Funding gap		0	0	0	0	0	0	
Debt Capitalization Summary:		@ 9/30/09 PF						
CCO debt		10,622	10,534	10,534	10,464	9,294	7,909	
CCOH debt		1,150	1,150	1,150	1,150	1,150	350	
CCH II new notes		1,701	1,701	1,701	1,701	1,701	1,701	
Total debt		$13,472	$13,385	$13,385	$13,315	$12,145	$9,960	
Total cash		446	525	1,026	1,608	1,386	359	
Net debt		13,026	12,859	12,359	11,706	10,759	9,600	
CCI PIK preferred note		72	75	86	99	114	131	
LIBOR rate			1.5%	1.8%	2.7%	3.4%	3.8%	
Credit Statistics								
Interest coverage ratio [5]			3.06x	2.95x	2.92x	3.13x	3.57x	
Fixed charge coverage ratio [6]			1.36x	1.47x	1.52x	1.79x	2.10x	
		Covenant						
Total 1st lien CCO leverage		4.00x	3.04x	3.03x	2.83x	2.64x	2.09x	
% cushion			24.0%	24.2%	29.3%	34.0%	47.8%	
EBITDA cushion			$363	$517	$703	$895	$1,377	
		Covenant						
Total CCO leverage		5.00x	3.94x	3.93x	3.68x	3.08x	2.50x	
% cushion			21.2%	21.3%	26.5%	38.5%	49.9%	
EBITDA cushion			$289	$440	$622	$1,031	$1,444	
Total leverage			5.58x	5.26x	4.90x	4.20x	3.29x	
Net leverage			5.36x	4.85x	4.31x	3.72x	3.17x	

Valuation @ Exit (12/31/13)

FY2013e EBITDA	$3,026
Exit multiple	6.5x
Total enterprise value	$19,667
Net debt @ 12/31/13	(9,600)
CCI PIK preferred note	(131)
Equity value	$9,936
Less options/warrants:	
Management options (3.0%)	(234)
Warrants to Vulcan (4.0%)	(311)
Warrants to CIH (1.1%)	(50)
Warrants to CCH (0.2%)	(9)
Equity value adj. for options/warrants	$9,331

Returns Analysis

CCH I Bond Recovery	
Equity value @ 0.6% ownership	$60
Face value of CCH I bond investment	138
Recovery	43.8%
Fund I Return	
Crestview equity @ 3.4% ownership	$313
Add: Net interest received	23
Less: Repayment of Dune loan	(3)
Return on investment	$333
Equity invested	171
IRR	14.1%
ROI	1.94x
Fund II Return	
Crestview equity @ 8.1% ownership	$756
Backstop investment	169
IRR	42.4%
ROI	4.49x

Notes

1. Based on Crestview's $138 million investment in CCH I notes ($3,987 million total outstanding)
2. Excludes some cash outflow items that are incurred post rights-offering including $450 million swap payment, $150 million cash collaterization of L/Cs and other adjustments (timing of interest payments of $82.1 million and contingency amount of $30.0 million)
3. Excludes $100 million of maintenance cash
4. Vulcan debt tip of $85 million accounted for in CCH II new notes
5. Interest coverage ratio defined as EBITDA divided by gross cash interest expense
6. Fixed charge coverage ratio defined as EBITDA less capex divided by gross cash interest expense and bank amortization

Exhibit B – Rights Offering Returns Analysis Model Summary (cont'd)

DOWNSIDE CASE

Crestview Investment in Rights Offering

	$mm
Fund I Investment - pro rata [1]	$56.4
Fund II Investment - backstop	$168.6
Total Investment	$225.0
Total capital committed	$225
Crestview commitment fee earned (3.0%)	$6.8

Crestview Equity Ownership

Fund I	
Ownership from existing CCH I bonds [1]	0.6%
Ownership from pro rata share of rights offering	2.7%
Total	3.4%
Fund II	
Backstop	8.1%
Total Crestview ownership	11.5%

Model Assumptions

Reorganization multiple	6.18x
2009e Plan EBITDA	$2,457
Exit multiple	6.5x
Rights offering discount	25.0%
Rate for new CCH II notes	13.5%
Value of Vulcan's CCVIII	$150
Vulcan post-money tip	3.0%
Commitment fee	3.0%
Preferred PIK rate	15.0%
CCH II notes to Vulcan	$85

Options & Warrants

	Pre-Money	Post-Money	Strike Price
Management options		3.0%	$2,149
Warrants to Vulcan		4.0%	$2,149
Warrants for junior debt holders:			
to CIH	5.0%	1.1%	$5,300
to CCH	1.0%	0.2%	$5,800
Total	6.0%	1.3%	

Sources & Uses

Sources

	$mm	%
Rights Offering		
Crestview pro rata [1]	$56	3%
Crestview backstop	$169	10%
Other participants	1,404	86%
Proceeds from rights offering	$1,629	100%
Overallotment of Rights Offering:		
Proceeds from overallotment	$0	0%
Total proceeds from rights offering	$1,629	100%
CCH II new 13.5% notes	$267	
Rolled CCH II notes	1,349	
Total sources	$3,244	

Uses

	$mm	%
Cash out CCH II notes	$1,407	43%
Rolled CCH II notes	1,349	42%
Additional cash on balance sheet	488	15%
Total uses	$3,244	100%

Capitalization at 6.18x Reorganization @ 9/30/09

Pre-Rights Offering

	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	$10,622	4.32x
CCOH debt	1,150	4.79x
CCH II debt	2,459	5.79x
CCH II accrued interest	297	5.91x
Total debt	$14,526	5.91x
Excess cash [2][3]	$670	(0.23x)
Net debt	$13,857	5.68x
Less: Vulcan debt tip	85	
Less: Value of warrants	62	
Less: Value of CCI PIK preferred	72	
Plus: Cash collateralized L/C facility	(150)	
Pre-Rights Offering Equity	**$mm**	**% Own.**
CCH I bondholders	$519	86.2%
Vulcan bank reinstatement tip	83	13.8%
Total equity value	$602	100.0%
Total enterprise value	$14,628	5.95x

Post-Rights Offering

	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	10,622	4.32x
CCOH debt	1,150	4.79x
CCH II new notes	1,701	5.48x
Total debt	$13,472	5.48x
Excess cash [3]	$346	(0.14x)
Net debt	$13,126	5.34x
Less: Vulcan debt tip [4]	0	
Less: Value of warrants	62	
Less: Value of CCI PIK preferred	72	
Plus: Cash collateralized L/C facility	(150)	
Less: Fees (paid in 4Q09)	82	
Less: Post-emergence restrucing exp.	102	
Plus: Adjustments	(180)	
Post-Rights Offering Equity	**$mm**	**% Own.**
CCH I holders - pre-money equity	$402	18.7%
CCH I holders - rights offering equity	1,682	78.3%
Vulcan bank reinstatement tip	64	3.0%
Total equity value	$2,149	100.0%
Total enterprise value	$15,263	6.21x

Financial Summary Projections

	FYE 12/31/08	FYE 12/31/09	3 Mo. Ended 12/31/09	FYE 12/31/10	FYE 12/31/11	FYE 12/31/12	FYE 12/31/13	'08-'13 CAGR
Key Financials								
Revenue	$6,467	$6,686	$1,712	$6,828	$7,100	$7,384	$7,584	3.2%
% growth		3.4%	n/a	2.1%	4.0%	4.0%	2.7%	
EBITDA	2,315	2,357	626	2,392	2,491	2,581	2,611	2.4%
% growth		1.8%	n/a	1.5%	4.1%	3.6%	1.2%	
% margin	35.8%	35.2%	36.6%	35.0%	35.1%	35.0%	34.4%	
Net cash interest expense			(207)	(648)	(911)	(905)	(870)	
Income taxes			(2)	(8)	(8)	(8)	(8)	
Δ in working capital			14	25	23	50	35	
Capex			(268)	(1,180)	(1,192)	(1,115)	(1,101)	
Bank debt amortization			(18)	(70)	(70)	(70)	(70)	
Debt maturities			0	0	0	(1,100)	(2,115)	
Commitment fee			(82)	0	0	0	0	
FCF after financing activities			$64	$311	$333	($567)	($1,518)	
Cash balance		446	510	822	1,154	588	(930)	
Funding gap		0	0	0	0	0	1,030	
Debt Capitalization Summary		@ 9/30/09 PF						
CCO debt		10,622	10,534	10,534	10,464	9,294	7,909	
CCOH debt		1,150	1,150	1,150	1,150	1,150	350	
CCH II new notes		1,701	1,701	1,701	1,701	1,701	1,701	
Total debt		$13,472	$13,385	$13,385	$13,315	$12,145	$10,990	
Total cash		446	510	822	1,154	588	100	
Net debt		13,026	12,874	12,563	12,160	11,557	10,890	
CCI PIK preferred note		72	75	86	99	114	131	
LIBOR rate			1.5%	1.8%	2.7%	3.4%	3.8%	
Credit Statistics								
Interest coverage ratio [5]			2.99x	2.78x	2.68x	2.80x	2.98x	
Fixed charge coverage ratio [6]			1.31x	1.30x	1.30x	1.46x	1.59x	
		Covenant						
Total 1st lien CCO leverage		4.00x	3.11x	3.22x	3.08x	2.95x	2.79x	
% cushion			22.3%	19.4%	23.1%	26.2%	30.2%	
EBITDA cushion			$310	$363	$479	$586	$706	
		Covenant						
Total CCO leverage		5.00x	4.02x	4.18x	4.00x	3.44x	3.27x	
% cushion			19.5%	16.3%	20.0%	31.2%	34.6%	
EBITDA cushion			$236	$285	$398	$722	$824	
Total leverage			5.71x	5.59x	5.35x	4.71x	4.21x	
Net leverage			5.48x	5.25x	4.86x	4.46x	4.17x	

Valuation @ Exit (12/31/13)

FY2013e EBITDA	$2,611
Exit multiple	6.5x
Total enterprise value	$16,974
Net debt @ 12/31/13	(10,890)
CCI PIK preferred note	(131)
Equity value	$5,953
Less options/warrants:	
Management options (3.0%)	(114)
Warrants to Vulcan (4.0%)	(152)
Warrants to CIH (1.1%)	(7)
Warrants to CCH (0.2%)	(0)
Equity value adj. for options/warrants	$5,680

Returns Analysis

CCH I Bond Recovery	
Equity value @ 0.6% ownership	$37
Face value of CCH I bond investment	138
Recovery	26.7%
Fund I Return	
Crestview equity @ 3.4% ownership	$191
Add: Net interest received	23
Less: Repayment of Dune loan	(3)
Return on investment	$210
Equity invested	171
IRR	4.3%
ROI	1.23x
Fund II Return	
Crestview equity @ 8.1% ownership	$460
Backstop investment	169
IRR	28.7%
ROI	2.73x

Notes

1. Based on Crestview's $138 million investment in CCH I notes ($3,987 million total outstanding)
2. Excludes some cash outflow items that are incurred post rights-offering including $450 million swap payment, $150 million cash collaterization of L/Cs and other adjustments (timing of interest payments of $82.1 million and contingency amount of $30.0 million)
3. Excludes $100 million of maintenance cash
4. Vulcan debt tip of $85 million accounted for in CCH II new notes
5. Interest coverage ratio defined as EBITDA divided by gross cash interest expense
6. Fixed charge coverage ratio defined as EBITDA less capex divided by gross cash interest expense and bank amortization

Executive Summary

- Charter is a sales driven company with strong executive leadership supported by financially disciplined decision making.
- Service delivery is a key weakness: high cost, high variability and relatively lower quality.
- Even before triple play competition from AT&T and Verizon, Charter suffers from high churn across its advanced services (digital, data, & phone). AT&T and Verizon have better service levels than Charter.
- Charter's most sensitive operational value driver is churn. By improving churn from 36% to 30% per year, Charter would deliver $200m additional annual cash flow in 2013. This churn level would move the company to 'best practice' for US cable operators.
- Opportunity/Risk summary

		Per Annum		Total
Element	Type	Upside OPEX/EBITDA 2013 ($m)	Downside OpEx/EBITDA 2013 ($m)	Downside CapEx ($m)
Network Quality[1]	CapEx			375
Churn	EBITDA	200		
Service Operations	OpEx	50		
Customer Care	OpEx	50		
CPE[2]	CapEx	33		
Total		333		375

[1]Cumulative investment; assumed $125m pa over 3 fiscal years
[2]Total savings of $66m during 2012-2013 period

3

Crestview

SWOT

Strengths

- Network reach and structure
- DOCSIS 3.0 upgrade unit costs approach best practice and provide an opportunity to 'lead with speed'
- Customer Care is positioned for significant improvement in efficiency & effectiveness
- Customer Care is performing well with regard to up and cross-selling at 11% compared to best practice of 15%
- Customer Care Save teams performing well at 75%
- CPE strategy is solid with good unit costs except for DVR
- IT is simple and low cost with total cash out < 2% of revenue
- Relatively low capital intensity; solid governance

Opportunities

- Reducing churn from 3% to 2.5% per month will deliver $200m of new annual EBITDA by 2013
- Reducing cost of Customer Care from 4.9% to 4% of revenue will deliver $50m of new annual EBITDA by 2013:
  - improve AHT/FCR to industry benchmark
  - drive 'end to end' process improvement and targeted investment to reduce calling intensity
  - increase outsourcing from 40% to 67%
- Reducing cost of Service Operations from 7.7% to 7.0% of revenue will deliver up to $50m of new EBITDA by 2013:
  - reduce LFI by targeted investment in Access Network
  - Drive performance of outlying KMAs to average; consistently improve best performing KMA's
  - streamline the organization for efficiency and optimized performance
- In-source billing system should deliver between $40-50m of new EBITDA by 2013 (post consolidation)
- Lower cost of HD & HD/DVR through wider competition ($60m)

Weaknesses

- Churn at 36% of RGU's per year is 50% above best practice
- Very high variability of operational performance across KMA's
- Customer Care contact rate of 5.8 contacts per RGU per year is >80% above industry average
- Access Network Line Fault Index of 17.5% is >70% higher than best practice
- Under investment in Access Network at 2% p.a.
- High internal unit cost of Customer Care at $.85 per minute leading to high cost per call
- Customer Care AHT ~8 minutes compared to 5 min benchmark
- Low Customer Care outsourcing ratio
- HD and HD/DVR CPE appear overpriced

Threats

- Entrance of AT&T and Verizon with better operating KPI's and stronger brand
- Charter may have to invest up to $375m over 3 fiscal years to improve the quality of the Access Network in order to:
  - driving improvements in churn,
  - cost of Service Operations and Customer Care.
- Investment would be highly focused and business-case driven
- Availability of capital for investment

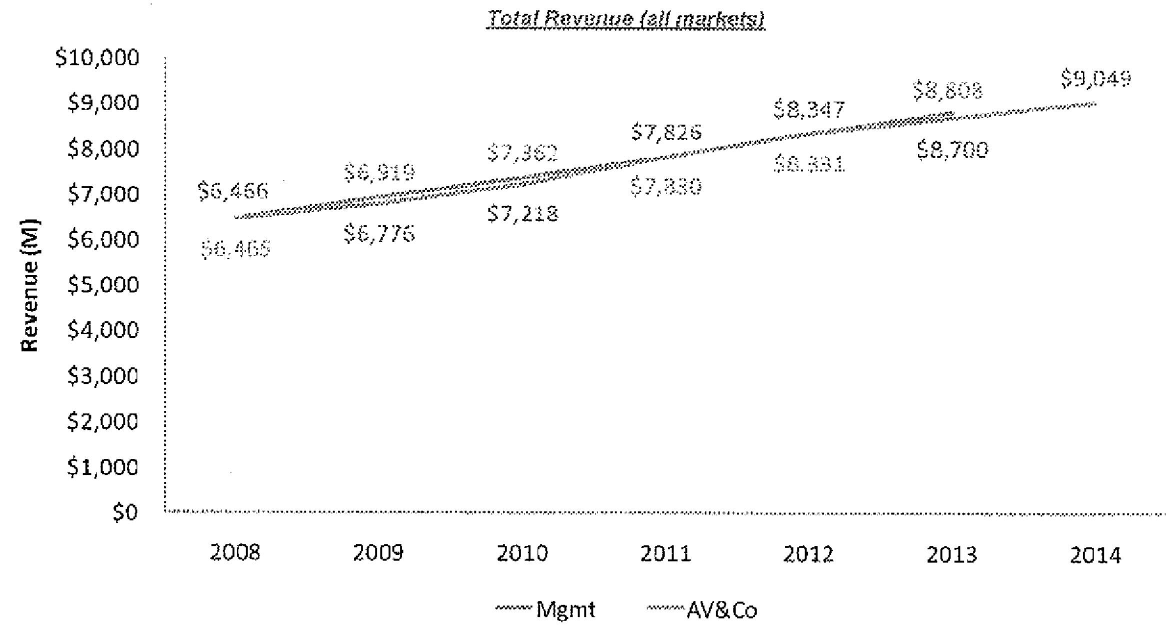
4

Conclusions

- Charter has built a solid operating platform over the past two years
- There are meaningful upsides to the company's LRP with strong 'change' actions. Investment to achieve these upsides should be business case driven.
- High Customer Care call volume driven by technical issues and high fault rates indicate quality issues. The Charter operating team plans to have tools and procedures in place by early 2010 to systematically address this high negative work volume.
- The most sensitive operating parameter is customer churn where meaningful financial benefits are possible from improved performance.
- Cost upside also exists in the Customer Care and Service Operations functional organizations.

Forecast Summary – Total Revenue

⇨ **AV&Co.'s revenue forecast is within 2% of management's throughout the analyzed timeframe**

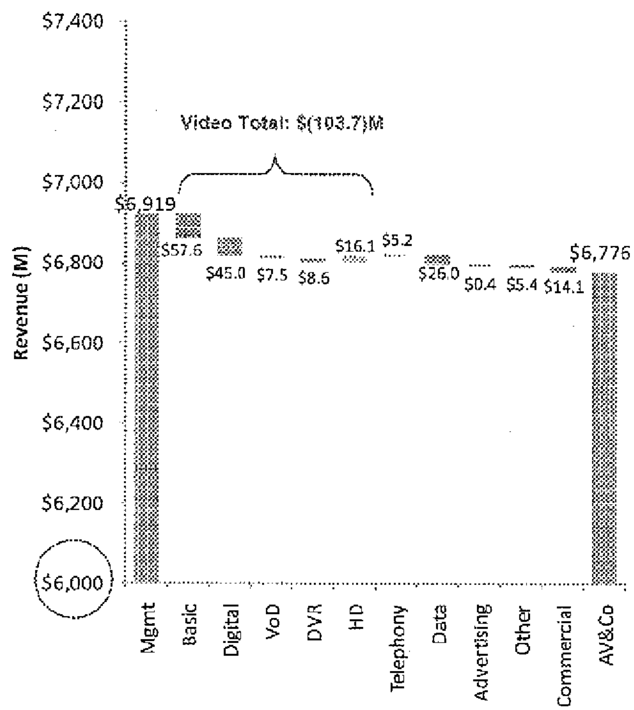


Comparison Table	2008	2009	2010	2011	2012	2013	2014
Difference (AV&Co - Mgmt, $M)	$0	($143)	($144)	($4)	$15	($108)	
Difference % of Mgmt Total	0.00%	-2.07%	-1.95%	-0.05%	0.19%	-1.23%	
Management YoY Growth		7.02%	6.40%	6.35%	6.40%	5.73%	
AV&Co YoY Growth		4.80%	6.53%	8.42%	6.66%	4.23%	4.01%

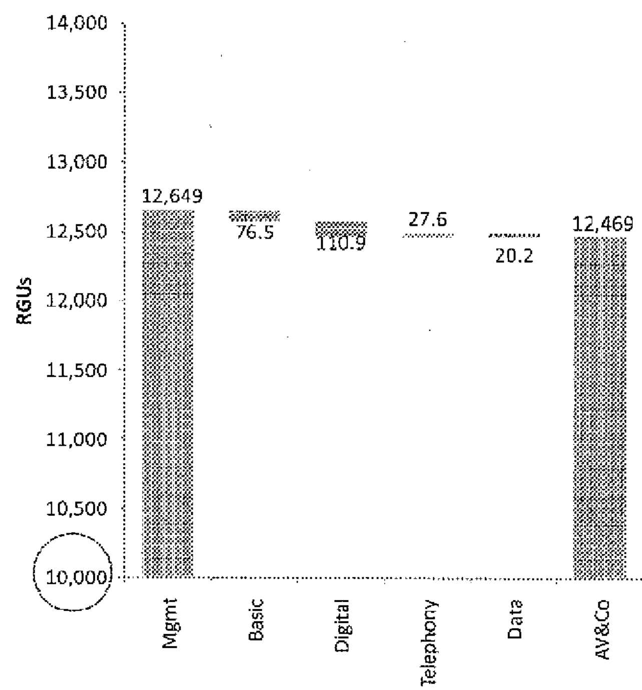
Revenue and RGU Bridge

⇨ **The $143M difference in forecasted revenue in 2009 will be driven mainly by contraction in basic and digital subscriber totals**

Revenue Bridge – 2009 Forecast



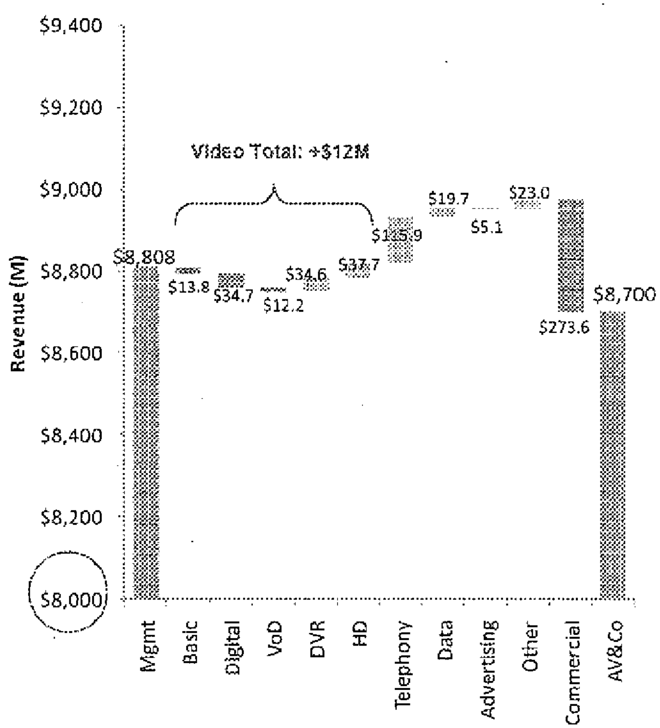
RGU Bridge – 2009 Forecast



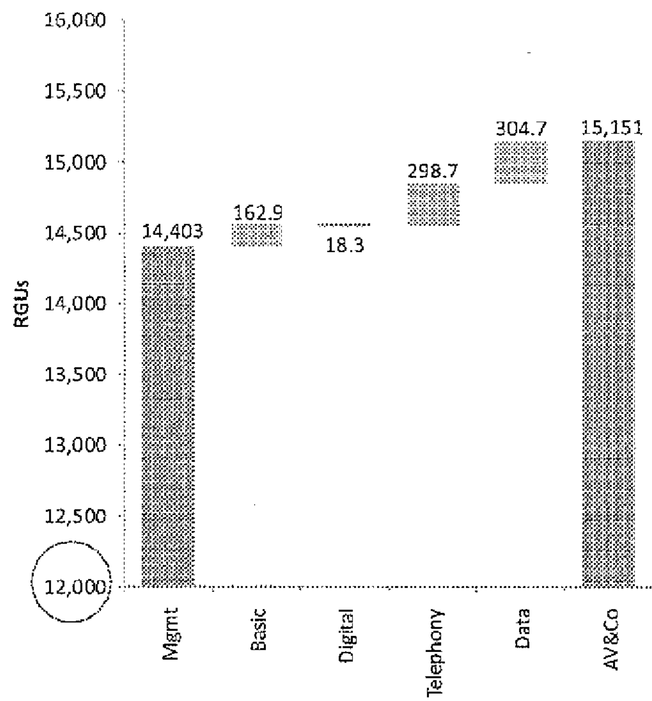
Revenue and RGU Bridge

⇨ **The $129M difference in forecasted revenue in 2009 will be driven mainly by contraction in basic and digital subscriber totals, as well as lower commercial forecast**

Revenue Bridge – 2013 Forecast



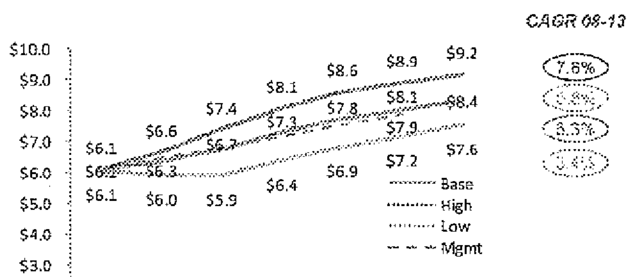
RGU Bridge – 2013 Forecast



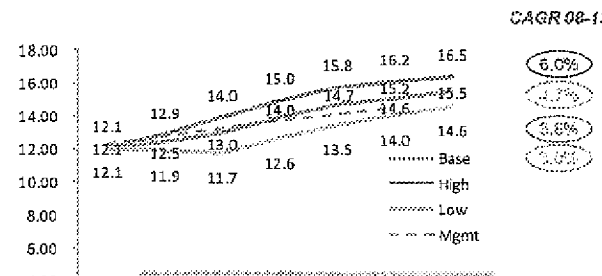
Crestview

Preliminary Scenario Output

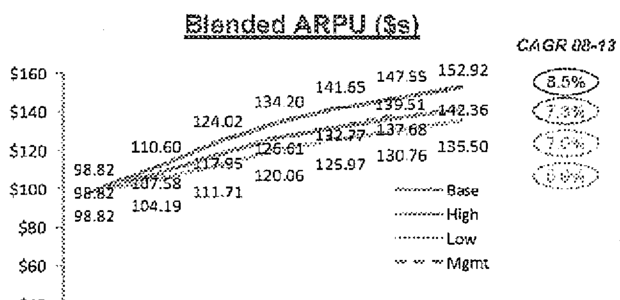
⇨ **In addition to our base case, we have developed two alternative scenarios for Charter's residential forecast**



	2009	2010	2011	2012	2013	2014
High	4.8%	9.5%	10.9%	11.9%	12.4%	11.7%
Low	-6.1%	-11.7%	-12.0%	-11.4%	-10.5%	-9.2%



	2009	2010	2011	2012	2013	2014
High	3.4%	7.1%	7.6%	8.1%	8.4%	7.9%
Low	-4.9%	-9.9%	-9.6%	-8.6%	-7.3%	-5.9%



	2009	2010	2011	2012	2013	2014
High	2.8%	4.9%	5.4%	5.8%	6.0%	6.2%
Low	-3.1%	-5.3%	-5.2%	-5.1%	-5.0%	-4.8%

Low Case: ~10th percentile

- More intense competitive situation and longer and more severe economic downturn, will slow down data and telephony market share gains, while further accelerate basic video declines
- Market growths for multichannel and broadband will also slow down but reach similar end points
- Additionally, ARPUs for most services will suffer slight declines over the base case

High Case: ~90th percentile

- The economic recovery is improved from the base case, and the competition (particularly fiber) underperforms our expectations
- As a result, broadband and multichannel markets will grow faster, ARPUs will see moderate increases, and penetration of services will outpace the rates in the base case

Crestview

Equity Backstop Analysis

($ in millions)

	Equity Commitments										
	Apollo	Oaktree	Crestview	Franklin	Fidelity	MFC	Lord Abbett	WAMCO	CapRe	OTHER	Total
Face Value CCH I Debt	$477.9	$577.3	$138.0	$925.0	$325.8	$66.6	$78.6	$198.4	$119.7	$1,079.8	$3,987.0
% of Class Owned	***12.0%***	***14.5%***	***3.5%***	***23.2%***	***8.2%***	***1.7%***	***2.0%***	***5.0%***	***3.0%***	***27.1%***	***100.0%***
Equity Rights Offering Amount	$1,628.6	$1,628.6	$1,628.6	$1,628.6	$1,628.6	$1,628.6	$1,628.6	$1,628.6	$1,628.6	$1,628.6	$1,628.6
Pro-Rata Rights Entitlement	*12.0%*	*14.5%*	*3.5%*	*23.2%*	*8.2%*	*1.7%*	*2.0%*	*5.0%*	*3.0%*	*27.1%*	*100.0%*
Pro-Rata Share of Rights	$195.2	$235.8	$56.4	$377.8	$133.1	$27.2	$32.1	$81.0	$48.9	$441.1	$1,628.6
% of Rights Subscribed	*100.0%*	*100.0%*	*100.0%*	*65.7%*	*0.0%*	*91.9%*	*0.0%*	*43.2%*	*0.0%*	*0.0%*	*48.9%*
Pro-Rata Rights Exercised on Feb 10th	$195.2	$235.8	$56.4	$248.4	$0.0	$25.0	$0.0	$35.0	$0.0	$0.0	$795.8
Total Equity Commitment	$755.3	$322.8	$242.1	$248.4	$0.0	$25.0	$0.0	$35.0	$0.0	$0.0	$1,628.6
Additional Funds Required	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funds Required	$755.3	$322.8	$242.1	$248.4	$0.0	$25.0	$0.0	$35.0	$0.0	$0.0	$1,628.6
Less: Pro-Rata Share of Rights Exercised	(195.2)	(235.8)	(56.4)	(248.4)	0.0	(25.0)	0.0	(35.0)	0.0	0.0	(795.8)
Equity Backstop Commitment	$560.1	$87.0	$185.7	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$832.8
% of Backstop Commitment	***67.3%***	***10.4%***	***22.3%***	***0.0%***	***0.0%***	***0.0%***	***0.0%***	***0.0%***	***0.0%***	***0.0%***	***100.0%***
Minimum Equity Over-Allotment	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0	$400.0
% of Backstop Commitment	*67.3%*	*10.4%*	*22.3%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*
Over-Allotment Allocation	$269.0	$41.8	$89.2	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$400.0
Equity Allocation:											
Pro-Rata Share of Rights Exercised	$195.2	$235.8	$56.4	$248.4	$0.0	$25.0	$0.0	$35.0	$0.0	$0.0	$795.8
Over-Allotment Allocation	269.0	41.8	89.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	400.0
Total New Equity	**$464.2**	**$277.6**	**$145.6**	**$248.4**	**$0.0**	**$25.0**	**$0.0**	**$35.0**	**$0.0**	**$0.0**	**$1,195.8**

The New York Times
Business/Financial Desk; SECTA

Americans Flock to the Movies, Seeking a Silver-Screen Lining

By MICHAEL CIEPLY and BROOKS BARNES
1,019 words
1 March 2009
The New York Times
Late Edition - Final
1
English

LOS ANGELES -- Hollywood could get used to this recession thing.

While much of the economy is teetering between bust and bailout, the movie industry has been startled by a box-office surge that has little precedent in the modern era. Suddenly it seems as if everyone is going to the movies, with ticket sales this year up 17.5 percent, to $1.7 billion, according to Media by Numbers, a box-office tracking company.

And it is not just because ticket prices are higher. Attendance has also jumped, by nearly 16 percent. If that pace continues through the year, it would amount to the biggest box-office surge in at least two decades.

Americans, for the moment, just want to hide in a very dark place, said Martin Kaplan, the director of the Norman Lear Center for the study of entertainment and society at the University of Southern California.

"It's not rocket science," he said. "People want to forget their troubles, and they want to be with other people."

Helping feed the surge is the mix of movies, which have been more audience-friendly in recent months as the studios have tried to adjust after the lackluster sales of more somber and serious films.

As she stood in line at the 18-screen Bridge theater complex here on Thursday to buy weekend tickets for "Jonas Brothers: The 3D Concert Experience," Angel Hernandez was not thinking much about escaping reality. Instead, Ms. Hernandez, a Los Angeles parking lot attendant and mother of four young girls, was focused on one very specific reality: her wallet.

Even with the movie carrying a premium price of $15 because of its 3-D effects -- children's tickets typically run $9 at the Bridge -- Ms. Hernandez saw the experience as a bargain.

"Spending hundreds of dollars to take them to Disneyland is ridiculous right now," she said. "For $60 and some candy money I can still be a good mom and give them a little fun."

A lot of parents may have been thinking the same thing Friday, as "Jonas Brothers" sold out more than 800 theaters, according to MovieTickets.com, and was expected to sell a powerful $25 million or more in tickets.

Other movies kept up their blistering sales pace, too, including "Tyler Perry's Madea Goes to Jail;" about a gun-toting grandma. Even "Taken," a relatively low-cost thriller starring Liam Neeson, is barreling past the $100 million mark this weekend.

Historically speaking, the old saw that movies do well in hard times is not precisely true. The last time Hollywood enjoyed a double-digit jump in attendance was 1989, when the unemployment rate was at a

comfortable 5.4 percent and the Gothic tone of that year's big hit, "Batman," seemed mostly the stuff of fantasy. That year, the number of moviegoers shot up 16.4 percent, according to Box Office Mojo, a box-office reporting service.

In 1982, theater attendance jumped 10.1 percent to about 1.18 billion (the top seller was "E.T.: The Extra-Terrestrial") as unemployment rose sharply past 10 percent. Then admissions fell nearly 12 percent, an unusually sharp drop, in 1985 (the "Back to the Future" year), as the economy picked up -- suggesting that theater owners have sometimes found fortunes in times of distress, and distress in good times.

Academic research on the matter is scant. One often-quoted scholarly study by Michelle Pautz, of Elon University, was published by the journal Issues in Political Economy in 2002. Over all, it said, the portion of the American population that attended movies on a weekly basis dropped from around 65 percent in 1930 to about 10 percent in the 1960s, and pretty much stayed there.

The film industry appears to have had a hand in its recent good luck. Over the last year or two, studios have released movies that are happier, scarier or just less depressing than what came before. After poor results for a spate of serious dramas built around the Middle East ("The Kingdom," "Lions for Lambs," "Rendition"), Hollywood got back to comedies like "Paul Blart: Mall Cop," a review-proof lark about an overstuffed security guard.

"A bunch of movies have come along that don't make you think too much," said Marc Abraham, a producer whose next film is a remake of "The Thing."

Certainly exhibitors are looking for a profit lift in the downturn. A new report from Global Media Intelligence on Friday predicted that the fortunes of movie theater operators like Regal Entertainment and Cinemark Holdings would be "increasingly favorable against a backdrop of highly negative economic news."

Cinematic quality has little to do with it. The recent crop of Oscar nominees has fared poorly, for the most part, at the box office. Lighter fare has drawn the crowds.

"It would take a very generous person to call these pictures anything other than middle-of-the-road, at best," said Roger Smith, the executive editor of Global Media Intelligence.

The box-office surge started just before Christmas with the comedy "Marley & Me," in which Jennifer Aniston was upstaged by a dog. And it has continued, weekend by weekend, with little sign of let-up, analysts say.

"Watchmen," a dark superhero film, opens March 6 and is expected to do megawatt business. It is to be followed by "Monsters vs. Aliens," a 3-D behemoth from DreamWorks Animation that analysts expect to have the biggest March opening ever for a nonsequel.

Movie theaters are already adding 3 a.m. screenings for "Watchmen" next week, and advance sales by online ticket companies like Fandango and MovieTickets.com have been strong.

"Fandango is experiencing the best first quarter in its history for ticket sales," said Rick Butler, its chief operating officer. "I see no signs of a drop-off."

THE WALL STREET JOURNAL.
Media & Marketing
Mobile, DVR Video Log Fastest Growth

By Elizabeth Holmes
475 words
23 February 2009
The Wall Street Journal
B6
English

Corrections & Amplifications
A chart that accompanied a Media & Marketing article Monday showed average time spent per month on selected media platforms in the US in hours and minutes. The data were incorrectly labeled as average minutes.

(WSJ February 25, 2009)
(END)
Online video is cutting into television, albeit slowly.

People are watching more video than ever on every type of screen -- television, the Internet and mobile devices -- according to a report on the nation's viewing habits to be released Monday by Nielsen Co.

Nielsen found that during the fourth quarter of 2008 the number of users and the time spent watching each of the three screen media rose from the previous quarter. "If people like video, they like it wherever they can get it," said Susan Whiting, vice chair of Nielsen.

The biggest jumps came in the number of viewers watching video on mobile devices and "time shifted" television, that is, programming viewed with a digital-video recorder. Each rose about 9% in the fourth quarter from the third quarter. Roughly 11 million people used mobile viewing and 74 million people watched DVR programming. Internet video users increased 2.3% to 123 million people.

Traditional television is still the most popular by far. Roughly 285 million of the nation's 306 million people watched TV in their home in the fourth quarter, up about three million people, or 1%, from the prior quarter.

Television also wins in terms of the time spent on each medium. People spent more time watching TV: an average of 151 hours a month or five hours a day -- a record high, according to Nielsen. That is a 7% increase, or roughly 11 hours more.

Internet video viewers, on the other hand, spent just under three hours on that a month, or 22 more minutes than the prior quarter, a nearly 15% increase.

In both time spent and number of viewers, Internet video grew at a rate twice that of television. Michael Vorhaus, president of consulting firm Frank N. Magid Associates, points to the growth as a threat to traditional television viewing. "It's not going to go away and it's not going to get better," he said.

For the first time in the Nielsen study, people ages 18-24 spent nearly the same amount of time -- roughly five hours -- watching Internet video each month as they did watching DVR programs. Other age brackets watched half as much or less Internet video than they did DVR video.

Online video viewing is increasingly seen as more valuable than DVR viewing because, unlike DVR viewing, viewers can't fast-forward through the advertising.

Television viewing, however, remains the most valuable for advertisers because of its breadth of audience.

THE WALL STREET JOURNAL.

Technology
WEEKEND JOURNAL
Turn On, Tune Out, Click Here --- TV Viewers Cut Cable's Cord; Here's What They're Watching Online Instead

By Nick Wingfield
1,960 words
3 October 2008
The Wall Street Journal
W1
English

Kenny Johnson, a senior credit analyst for Fox Home Entertainment in Garden Grove, Calif., recently took a hard look at his finances -- and canceled his cable-television subscription.

With a newborn child at home and growing household expenses, he says the decision saved him and his wife more than $40 a month -- or roughly the increase he is paying at the gas pump every month for his commute to work. The couple held onto their DSL Internet connection, which costs about $38 a month.

Now the Johnsons access most of their television shows online, through Web sites like Hulu.com, in addition to the free broadcasts they pick up over the airwaves. They also bought a set-top box that allows them to stream shows via Netflix.com to their television set, including episodes of NBC's "The Office" and Showtime's "Weeds."

"To me, it looks just like my cable," Mr. Johnson says.

In the past two years, nearly every major network show and many of the biggest cable programs have become available on the Internet. The virtual library of content includes everything from "Desperate Housewives" and "CSI" to "The Colbert Report" and "Mad Men."

Some of the biggest hits online are memorable TV moments. More than half of the people who saw recent "Saturday Night Live" skits featuring comedian Tina Fey as vice presidential candidate Sarah Palin watched the skits over the Internet, according to a survey of 500 viewers on Monday by Solutions Research Group. Nearly a quarter saw them on YouTube and 21% saw them on NBC.com or Hulu.com.

Many shows can be viewed for free and are accompanied by a dollop of ads that's small when compared with the number of commercial breaks on television. As a result, some cost-conscious consumers are ditching their cable subscriptions altogether.

"I'm saving a lot of money," says Tony Leach, a product manager at an online stock brokerage firm in the Bay Area. Mr. Leach canceled his $60-a-month cable subscription two years ago and has watched all of his favorite television shows on the Internet ever since.

The online television bonanza reflects a scramble by networks and cable stations to avoid the fate of the music business, which is still reeling from the effects of piracy and early missed opportunities to capitalize on the Internet.

Complete episodes of about 90% of prime-time network television shows and roughly 20% of cable shows are now available online, according to Forrester Research analyst James McQuivey. There are still notable holdouts,

such as Fox's "American Idol" and current seasons of HBO series like "Entourage."

But by aggressively seeking to stay ahead of consumer behavior, content providers are also fueling the growth of this new form of distribution, and that could undermine the economics of the television business, critics say. More than 80% of US households pay an average of $70 a month to get programming piped into their homes via cable, satellite or telephone companies. Most of the remaining households watch advertising-supported shows on their TVs -- programs that are broadcast the old-fashioned way, over the public airwaves.

The number of people watching all of their programs online is still small; some estimates put the number at just 1% of the total television audience. In part, that's because watching online isn't as easy as channel surfing on the couch, TV remote in hand. Viewers must either watch shows on their personal computers, or use a device like Apple TV, which allows them to download shows from the Internet onto their television sets.

Within the next several years, however, media and technology executives say that a host of new technologies will make television access to online video a mainstream phenomenon. Vudu Inc. already sells a $299 set-top box with a remote control that allows users to download television shows for $1.99 per episode. Microsoft and Sony both sell television shows that users of their Xbox 360 and PlayStation 3 videogame consoles can download over the Internet for viewing on television sets.

Netflix subscribers can buy a $99 set-top box from Roku Inc. that streams videos on their television sets. The service is included at no extra charge in the monthly Netflix fee for renting DVDs.

Patrick Crowley, a 35-year-old free-lance Web designer who lives and works in a loft in downtown San Diego, has configured his computer and his space so he can shift easily between work and play. His Macintosh has a 24-inch monitor and sits on a desk on one side of his living room, where he spends most of the day working on projects for clients. After hours, the Mac serves as his entertainment center, which explains the couch, lounge chair and coffee table positioned across from it on the other side of room.

Seated at his computer, Mr. Crowley types Hulu.com into the Web browser. (The site is a joint venture of NBC Universal and Fox, whose owner, News Corp., also owns The Wall Street Journal.) That's where he goes to watch many of his favorite shows, such as the Comedy Central's "The Daily Show with Jon Stewart." He also downloads programs from iTunes, where advertising-free episodes sell for $1.99 each. His library has about 100 episodes, including installments of Showtime's "Weeds " and NBC's "Studio 60 on the Sunset Strip." He's even installed an application onto his iPhone that turns the device into a remote control for his iTunes video downloads, so he can change clips without getting up from his couch.

It takes about 10 minutes to download a half-hour TV show on iTunes, though Mr. Crowley says he can usually start watching it a few seconds after the download begins. Shows on Hulu and the television networks' own Web sites are "streamed," a method that allows videos to begin playing instantly but leaves no permanent copy on users' computers.

Since canceling his cable television service from Cox a year and a half ago, while maintaining his high-speed Internet connection through the company, his monthly service bill has gone to about $60 a month from $160. "It's a much more efficient way of watching TV," says Mr. Crowley. He figures he spends about $8 a month at the iTunes video store, and watches about as much television as he did before he cut the cable cord.

A survey of NBC.com users in the second quarter of 2008 showed that 83% of respondents watched a show on the network's Web site because they missed its original airing. "We see no evidence of a substantial number of people choosing to watch online instead of on television," says Alan Wurtzel, president of research for NBC Universal.

Most television shows are available online only after a delay from their original air date, anywhere from a day to months later. Televisions networks take down many older episodes after a while, so users don't have a permanent library of some shows.

The online selection of live sports games is spotty as well. This season, for example, the National Football League will make Sunday night games available live on the Net, but those amount to only about 7% of all regular-season NFL match-ups. Cable and broadcast news shows typically aren't streamed live on the Internet, unless there's a major breaking news event like Hurricane Katrina.

Still, research firm Nielsen Online estimates that in June, 3.2 million Internet users watched more than 106 million video streams on Hulu.com, a site that wasn't available to the public until March. Walt Disney Co.'s ABC.com delivered nearly 27 million streams to 2.9 million viewers that same month, according to Nielsen. The data include everything from behind-the-scenes clips and segments of shows to complete episodes.

Other research indicates that online video-watching is cannibalizing television audiences. According to a spring survey by Integrated Media Measurement Inc., a research firm that tracks media consumption, more than 20% of viewers in the firm's 3,200-person panel watched some prime-time network television online, up from roughly 6% in the fall. Half of those online viewers said they were no longer watching those shows on television.

"What this study is showing is that the long-vaunted convergence of the TV and the computer is happening faster than anybody thought it was happening," says Tom Zito, Integrated Media's company's CEO.

Craig Moffett, a cable-industry analyst at Sanford Bernstein, says he believes television and cable companies are recklessly pursuing Web viewers to avoid seeming like "Luddites," without considering the long-term consequences if too many customers pull the plug on their service in favor of free Web video.

A typical half-hour television show contains about eight minutes of advertising, while that same show online contains about two minutes of ads, or about a quarter of the "ad load," Mr. Moffett says.

Cable channels, meanwhile, may be taking an especially big risk because they typically get half or more of their revenue from subscriber fees shared by cable and satellite operators -- a business that could be jeopardized if people start canceling their pay-TV subscriptions. (Broadcasters like ABC, Fox, NBC and CBS don't get a cut of subscriber fees from cable carriers, since the networks' channels are also available free.)

Tensions are beginning to heat up between cable operators and cable channels over free Web video. Glenn Britt, CEO of Time Warner Cable Inc., has been one of the most outspoken people on the topic, telling cable program executives to not expect to continue sharing subscription revenue if they keep giving their top shows away for free online. When asked how programmers have been responding to such comments, Mr. Britt says, "Not well."

Executives at several cable channels were reluctant to discuss the topic, at the risk of further straining discussions about Internet television with their cable-operator partners. "We can't just cut the cable companies out," says one of those executives.

Of course, Web watchers will still need fast Internet connections to get all that video, a potential boon for the broadband Internet businesses at cable and telecommunications companies.

Consumers' sympathy for the cable operators is in short supply after years of rate increases. Between 1995 and this year, cable and satellite prices have increased by 79%, almost double the level of inflation during that period, according to the Bureau of Labor Statistics. Total US cable-industry revenue from television subscriptions hit roughly $53 billion in 2007, plus an additional $23 billion when Internet access and telephone fees are included, according to Bernstein Research.

And while cable operators say that the industry has provided far more value over the years, with everything from more channels to video-on-demand, most consumers actually use only a small portion of the cable-television offerings they pay for. Last year, the average home received 118.6 cable channels but only tuned into about 16 of them, or 13% of the total available to them, according to the Nielsen Co.

Jeff Pulver, founder of PrimetimeRewind.tv Inc., which makes it easier to locate Web television shows, says he believes the Facebook and Google generation won't look askance at getting television shows from the Internet.

Still, adds Mr. Pulver, who also co-founded the Internet phone company Vonage, "Some people will [continue] to subscribe to cable, the way their grandparents did."

Exhibit G – Comparison of Current Returns and Returns in 2/10/2009 IC Memo

Value Recovery of CCH Value Recovery of CCH I Bonds

Current

	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	30.8%	37.3%	43.8%	50.3%	56.8%	63.3%
Management Case	7.2%	39.9%	46.9%	53.9%	61.0%	68.0%	75.0%

2/10/09 Investment Committee Memo

	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	32.3%	38.8%	45.4%	51.9%	58.5%	65.0%
Management Case	7.2%	41.1%	48.2%	55.2%	62.3%	69.4%	76.4%

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	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	(1.5%)	(1.6%)	(1.6%)	(1.6%)	(1.7%)	(1.7%)
Management Case	7.2%	(1.2%)	(1.3%)	(1.3%)	(1.3%)	(1.4%)	(1.4%)

Total Fund I Return Sensitivities

Current

	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	7.1%	10.9%	14.1%	17.0%	19.5%	21.8%	1.40x	1.67x	1.94x	2.21x	2.49x	2.76x
Management Case	7.2%	12.2%	15.5%	18.4%	21.0%	23.3%	25.4%	1.78x	2.07x	2.37x	2.66x	2.95x	3.25x

2/10/09 Investment Committee Memo

	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	8.0%	11.6%	14.8%	17.6%	20.0%	22.2%	1.46x	1.73x	2.00x	2.27x	2.55x	2.82x
Management Case	7.2%	12.8%	16.0%	18.8%	21.3%	23.6%	25.7%	1.82x	2.12x	2.41x	2.71x	3.00x	3.29x

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	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	(0.9%)	(0.8%)	(0.7%)	(0.6%)	(0.5%)	(0.5%)	(0.06x)	(0.06x)	(0.06x)	(0.06x)	(0.06x)	(0.06x)
Management Case	7.2%	(0.5%)	(0.5%)	(0.4%)	(0.4%)	(0.3%)	(0.3%)	(0.05x)	(0.05x)	(0.05x)	(0.05x)	(0.05x)	(0.05x)

Fund II Return Sensitivities

Current

	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	31.0%	37.1%	42.4%	47.1%	51.3%	55.3%	3.15x	3.82x	4.49x	5.15x	5.82x	6.49x
Management Case	7.0%	39.2%	44.7%	49.5%	53.9%	57.9%	61.6%	4.08x	4.80x	5.52x	6.25x	6.97x	7.69x

2/10/09 Investment Committee Memo

	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	32.5%	38.3%	43.5%	48.1%	52.3%	56.1%	3.30x	3.97x	4.64x	5.31x	5.98x	6.64x
Management Case	7.0%	40.2%	45.5%	50.3%	54.6%	58.5%	62.2%	4.20x	4.92x	5.64x	6.37x	7.09x	7.81x

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	'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
Base Case	5.5%	(1.4%)	(1.3%)	(1.1%)	(1.0%)	(0.9%)	(0.9%)	(0.15x)	(0.15x)	(0.15x)	(0.15x)	(0.16x)	(0.16x)
Management Case	7.0%	(0.9%)	(0.8%)	(0.8%)	(0.7%)	(0.6%)	(0.6%)	(0.12x)	(0.12x)	(0.12x)	(0.12x)	(0.12x)	(0.12x)

CONFIDENTIAL MEMORANDUM

To: Investment Committee

From: Jeff Marcus, Barry Volpert, Bob Delaney, Brian Cassidy, Anuj Aggarwal, Harold Kim

Date: January 15, 2009

Re: **Charter Communications Update**

The purpose of this memo is to update the Investment Committee on recent developments at Charter and to request approval to invest up to $6 million of equity to buy CCH I bonds at a price up to 15.

In December 2008, Charter announced that it planned to initiate discussions with its bondholders in an effort to rationalize its capital structure. Accordingly, several of the larger CCH I bondholders (with at least a $100 million position) formed an ad hoc group ("Committee") and hired UBS Securities, Houlihan Lokey, and Paul Weiss (together "Advisors") to explore restructuring alternatives. The Committee currently represents 78% of the CCH I, 47% of the CCH II, and 62% of the CIH bondholders. Committee members include Oaktree, Apollo, Fidelity, Capital Research, Western Asset Management, Franklin Resources, AIG, Contrarian Capital, MFC Global, Lord Abbett and Crestview, and all of the members' holdings are weighted towards the CCH Is.

At this point, the Committee is not restricted and members continue to have the ability to purchase additional bonds. Our advisors have had preliminary discussions with the Company and, yesterday, presented the Committee with a range of potential restructuring scenarios based on publicly available information. Given recent trading levels and discussions with our advisors, we are requesting approval from the Investment Committee to invest $6 million of equity to buy additional CCH I bonds at a price of up to 15.

Recent Developments

Charter today announced that two of its subsidiaries, CCH I Holdings ("CIH") and Charter Holdings, did not make scheduled interest payments of $74 million due on January 15, 2009. The Company has a 30-day grace period to make the interest payments. The non-payment of interest would trigger a cross-default if 25% or more of the affected CIH and Charter Holdings bondholders demand an accelerated payment on their principal amount. We view this scenario to be unlikely given that the Committee holds 62% of the CIH bonds and that CIH bondholders have little incentive to accelerate maturities and trigger a default given their subordinate position in the capital structure. This implies that Charter has until April 1, 2009 when $53 million of Charter Holdings notes are due to negotiate a pre-packaged restructuring.

Investment Rationale

CCH I bonds traded down to 8 to 12 cents on the dollar on the news (bonds no longer trade with accrued interest). The deal team believes that current pricing levels have opened up an attractive opportunity to increase our position in CCH I bonds and to reduce our cost basis for the following reasons:

- Based on discussions with our advisors, the value of the restructuring plan is likely to be between 6.0x-6.5x, making CCH I the fulcrum security with CCH I bondholders receiving the majority of the equity. This scenario implies the reinstatement of the CCH IIs, which may require Charter to raise up to $1.8 billion (but most likely $500-$1,000 million) through a rights offering or refinance these notes through a higher priced debt offering. The recent Cablevision debt offering suggests that there is investor appetite for cable securities despite the ongoing economic malaise
    - A $1.8 billion rights offering at a 6.0x recapitalization and 7.0x exit valuation would imply a 60% and 23% recovery and 70% and 15% equity ownership for CCH I participants and non-participants, respectively
- Given that the Committee holds a blocking position in the CCH IIs and that current cable valuations are at historical lows, we believe it is unlikely that the restructuring plan will be valued at 5.0x, which would make CCH IIs the fulcrum security. In addition, Charter currently has significant NOLs, which could be worth an extra 1.0x-1.5x multiple

- CCH I bondholders currently hold a 70% interest in the CC VIII preferred stock (the remaining 30% is held by Paul Allen). Based on analysis prepared by our advisors, the preferreds are estimated to be worth approximately $420 million, which ascribes $280 million of value or 7 cents on the dollar to CCH I bonds and provides a floor in value. As such, the value of the CC VIII preferred stock that the CCH I bondholders own (70% interest) alone will cover the majority of the investment cost
- We continue to believe that, in a normalized market, Time Warner and Comcast would pay a 7.0x-8.0x multiple for Charter due to significant synergy potential and beneficial tax attributes
- In any given scenario, assuming a 7.0x exit valuation, the minimum recovery for CCH I bondholders is estimated to be at least 32%
- However, a few risks to consider are the following:
    - Inability to reinstate bank debt; however, this will not result in a significant loss of value to the Company given that the bank debt is levered at less than 3.5x and given the current interest rate hedges
    - Paul Allen's ability to extract significant value from a potential restructuring due to his required 35% voting control to reinstate the bank debt and his ability to exercise certain rights that could destroy company NOL value

The table below illustrates the impact of investing an additional $6 million of equity in CCH I bonds at a range of prices on our cost basis. At a purchase price of 15, we would lower our net cost basis from 67 to 56.

Investment Cost Basis ($ millions)							
Current Note Purchases							
Total Face Value Note Purchase	$138.0	$138.0	$138.0	$138.0	$138.0	$138.0	$138.0
Average Note Purchase Price w/o Fees	$81.1	$81.1	$81.1	$81.1	$81.1	$81.1	$81.1
Average Price w/ Fees	$82.1	$82.1	$82.1	$82.1	$82.1	$82.1	$82.1
Less: Net Interest Payments	($14.6)	($14.6)	($14.6)	($14.6)	($14.6)	($14.6)	($14.6)
Net Basis of Note Position	$67.4	$67.4	$67.4	$67.4	$67.4	$67.4	$67.4
Incremental Note Purchase							
Equity Investment	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0	$6.0
Average Note Purchase Price	$9.0	$10.0	$11.0	$12.0	$13.0	$14.0	$15.0
Accrued Interest (01/15/09)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Face Value of Purchased Notes	$66.7	$60.0	$54.5	$50.0	$46.2	$42.9	$40.0
Combined Note Purchase							
Total Face Value of Note Position	$204.7	$198.0	$192.5	$188.0	$184.2	$180.9	$178.0
Blended Note Purchase Price (w/o fees)	$57.6	$59.6	$61.3	$62.8	$64.1	$65.2	$66.3
Transaction Fees	0.6	0.6	0.7	0.7	0.7	0.7	0.7
Average Purchase Price w/ Fees	$58.3	$60.2	$61.9	$63.4	$64.8	$65.9	$67.0
Net of Interest Payments Received	(9.9)	(10.2)	(10.5)	(10.7)	(11.0)	(11.2)	(11.4)
Net Basis of Blended Position	$48.4	$50.0	$51.4	$52.7	$53.8	$54.8	$55.6

A list of exhibits is attached as follows:

- Charter Capital Structure
- Comparable Company Analysis
- Cable Company Historical Multiples
- Charter Financial Summary
- Overview of Restructuring Scenarios

CONFIDENTIAL MEMORANDUM

To: Investment Committee

From: Jeff Marcus, Barry Volpert, Bob Delaney, Brian Cassidy, Anuj Aggarwal, Harold Kim

Date: February 10, 2009

Re: **Charter Communications Update**

The purpose of this memorandum is to update the Investment Committee on the restructuring process, outline key changes to the deal terms since the last Investment Committee meeting on February 4th and get Investment Committee approval to sign a commitment letter (with a due diligence out) to invest up to $250 million in equity as part of the rights offering.

Situation Update

After a week of negotiations, the ad hoc group ("Committee") of large CCH I bondholders have reached a preliminary agreement with Charter's (the "Company") management team and Vulcan/Paul Allen on key terms of a restructuring plan. In order to guarantee that the Company makes the $74 million interest payment within the 30-day grace period which ends this Friday, we need to send the Charter Board of Directors a copy of the term sheet and signed equity and debt commitment letters (subject to due diligence) before the Company's 4pm board meeting on Tuesday. Once the board approves the plan and makes the interest payment, we will have approximately 30 days to conduct due diligence that will not be limited by scope. Below are the key changes to the term sheet from our last Investment Committee meeting:

- Rights offering has increased from $1,000 million to $1,450 million in order to fund $450 million of interest rate swap breakage costs (this will result in interest savings for the Company over the next few years)
- Paul Allen will receive [7-8%] of the post-money ownership to reinstate the bank debt (vs. 1.7%)
- Equity backstop parties including Apollo, Oaktree, Fidelity and Crestview will have the right to participate in an equity overallotment option ("Overallotment") of $400 million, resulting in a total rights offering of up to $1,850 million
    - The deal team believes that the Overallotment will be oversubscribed and Crestview will have the opportunity to invest approximately $125 million above its pro rata share of $50 million
- Parties that sign the commitment letter tomorrow will receive a 4% commitment fee on their total equity commitment (including the pro rata share of the rights offering)
- We also received updated financial projections from the Company and changed our 2009e EBITDA from $2,450 million to $2,457 million and capex assumptions from ~$1,200 million per annum to $1,100 million

The tables below show the IRRs and ROIs for the revised deal compared to the original deal.

Fund I Return Sensitivities

Revised

'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
5.5%	6.6%	9.7%	12.4%	14.8%	16.9%	18.9%	1.37x	1.59x	1.81x	2.02x	2.24x	2.46x
7.0%	10.1%	12.9%	15.4%	17.7%	19.7%	21.6%	1.62x	1.86x	2.09x	2.32x	2.56x	2.79x

2/4/09 Memo

'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
5.5%	10.0%	13.5%	16.6%	19.2%	21.6%	23.8%	1.63x	1.94x	2.24x	2.55x	2.86x	3.17x
7.0%	14.0%	17.2%	20.0%	22.5%	24.7%	26.7%	1.99x	2.31x	2.64x	2.97x	3.30x	3.63x

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'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
5.5%	(3.4%)	(3.9%)	(4.2%)	(4.5%)	(4.7%)	(4.9%)	(0.26x)	(0.35x)	(0.44x)	(0.53x)	(0.62x)	(0.71x)
7.0%	(3.9%)	(4.3%)	(4.5%)	(4.8%)	(5.0%)	(5.1%)	(0.36x)	(0.46x)	(0.55x)	(0.65x)	(0.74x)	(0.84x)

Fund II Return Sensitivities

Revised

'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
5.5%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
7.0%	36.9%	41.4%	45.4%	49.0%	52.4%	55.5%	4.11x	4.75x	5.39x	6.02x	6.66x	7.30x

2/4/09 Memo [1]

'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
5.5%	31.5%	36.8%	41.4%	45.4%	49.1%	52.5%	3.68x	4.43x	5.18x	5.93x	6.68x	7.43x
7.0%	37.5%	42.3%	46.6%	50.5%	54.0%	57.2%	4.54x	5.35x	6.16x	6.96x	7.77x	8.58x

Δ

'08-'13e EBITDA CAGR	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
5.5%	(0.1%)	(0.6%)	(0.9%)	(1.2%)	(1.4%)	(1.5%)	(0.25x)	(0.41x)	(0.57x)	(0.72x)	(0.88x)	(1.03x)
7.0%	(0.6%)	(1.0%)	(1.2%)	(1.4%)	(1.6%)	(1.7%)	(0.43x)	(0.60x)	(0.77x)	(0.94x)	(1.11x)	(1.28x)

(1) Assumed 25% fee

As can be seen in the tables above, the revised deal generates modestly lower, but still very attractive returns. Assuming a 5.5% EBITDA CAGR and a 6.5x exit, projected IRRs have decreased from 16.6% to 12.4% for Fund I assuming that we participate fully in the rights offering ($50 million). Fund II returns have decreased from 41.4% to 40.5%.

Recommendation

The deal team recommends that we sign the commitment letter and commit to invest up to $50 million of equity in the Charter rights offering subject to due diligence.

Exhibits

- Fund I returns sensitized by rights offering participation amount
- Fund I and Fund II returns sensitized by Paul Allen bank reinstatement tip

Fund I Return Sensitivities to Pro Rata Investment Size and Exit Multiple

BASE CASE - 5.5% '08-'13e EBITDA CAGR

Crestview CCH I Bond Recovery Sensitivities

LTM Exit Multiple					
5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
25.5%	30.0%	34.4%	38.8%	43.2%	47.6%

Fund I Return Sensitivities

Pro Rata Participation $mm	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
$0	(15.8%)	(13.4%)	(11.2%)	(9.4%)	(7.7%)	(6.1%)	0.48x	0.53x	0.58x	0.64x	0.69x	0.74x
$5	(10.6%)	(8.1%)	(5.9%)	(3.9%)	(2.1%)	(0.5%)	0.60x	0.67x	0.75x	0.83x	0.90x	0.98x
$10	(7.0%)	(4.3%)	(2.0%)	0.0%	1.9%	3.6%	0.71x	0.81x	0.91x	1.00x	1.10x	1.19x
$15	(4.1%)	(1.4%)	1.0%	3.1%	5.0%	6.7%	0.82x	0.93x	1.05x	1.16x	1.28x	1.39x
$20	(1.8%)	0.9%	3.4%	5.5%	7.5%	9.3%	0.91x	1.05x	1.18x	1.31x	1.45x	1.58x
$25	0.1%	2.9%	5.4%	7.6%	9.6%	11.5%	1.00x	1.15x	1.30x	1.45x	1.60x	1.75x
$30	1.7%	4.6%	7.1%	9.4%	11.5%	13.3%	1.09x	1.25x	1.42x	1.58x	1.75x	1.91x
$35	3.2%	6.1%	8.7%	11.0%	13.0%	14.9%	1.17x	1.34x	1.52x	1.70x	1.88x	2.06x
$40	4.4%	7.4%	10.0%	12.4%	14.5%	16.4%	1.24x	1.43x	1.62x	1.82x	2.01x	2.20x
$45	5.5%	8.6%	11.2%	13.6%	15.7%	17.7%	1.31x	1.51x	1.72x	1.92x	2.13x	2.33x
$50	6.6%	9.7%	12.4%	14.8%	16.9%	18.9%	1.37x	1.59x	1.81x	2.02x	2.24x	2.46x

Fund I & Fund II Return Sensitivities to Paul Allen Bank Debt Reinstatement Tip

Fund I Return Sensitivities

Key Assumptions
- 25% rights offering discount
- '08-'13e EBITDA CAGR of 5.5%
- 7.0x LTM Exit Multiple

Paul Allen Post-Money Tip	Pro Rata Participation ($mm) $0	$5	$10	$15	$20	$25	$30	$35	$40	$45	$50
0%	(2.1%)	1.6%	4.5%	6.8%	8.8%	10.5%	12.0%	13.3%	14.5%	15.6%	16.6%
1%	(3.0%)	0.9%	3.9%	6.3%	8.4%	10.1%	11.6%	13.0%	14.2%	15.3%	16.4%
2%	(3.9%)	0.2%	3.3%	5.8%	7.9%	9.7%	11.3%	12.7%	13.9%	15.0%	16.1%
3%	(4.9%)	(0.6%)	2.7%	5.3%	7.5%	9.3%	10.9%	12.3%	13.6%	14.8%	15.8%
4%	(5.9%)	(1.3%)	2.0%	4.8%	7.0%	8.9%	10.6%	12.0%	13.3%	14.5%	15.6%
5%	(7.0%)	(2.2%)	1.4%	4.2%	6.5%	8.5%	10.2%	11.7%	13.0%	14.2%	15.3%
6%	(8.1%)	(3.0%)	0.7%	3.6%	6.0%	8.1%	9.8%	11.3%	12.7%	13.9%	15.0%
7%	(9.4%)	(3.9%)	0.0%	3.1%	5.5%	7.6%	9.4%	11.0%	12.4%	13.6%	14.8%
8%	(10.7%)	(4.8%)	(0.7%)	2.5%	5.0%	7.2%	9.0%	10.6%	12.0%	13.3%	14.5%
9%	(12.1%)	(5.8%)	(1.4%)	1.9%	4.5%	6.7%	8.6%	10.2%	11.7%	13.0%	14.2%
10%	(13.7%)	(6.8%)	(2.2%)	1.2%	4.0%	6.3%	8.2%	9.9%	11.4%	12.7%	13.9%

Paul Allen Post-Money Tip	Pro Rata Participation ($mm) $0	$5	$10	$15	$20	$25	$30	$35	$40	$45	$50
0%	0.90x	1.08x	1.25x	1.40x	1.54x	1.67x	1.79x	1.91x	2.01x	2.11x	2.21x
1%	0.86x	1.05x	1.21x	1.37x	1.51x	1.64x	1.76x	1.88x	1.99x	2.09x	2.18x
2%	0.83x	1.01x	1.18x	1.33x	1.48x	1.61x	1.73x	1.85x	1.96x	2.06x	2.16x
3%	0.79x	0.97x	1.14x	1.30x	1.44x	1.58x	1.70x	1.82x	1.93x	2.03x	2.13x
4%	0.75x	0.94x	1.11x	1.26x	1.41x	1.55x	1.67x	1.79x	1.90x	2.00x	2.10x
5%	0.71x	0.90x	1.07x	1.23x	1.38x	1.51x	1.64x	1.76x	1.87x	1.98x	2.08x
6%	0.67x	0.86x	1.04x	1.20x	1.35x	1.48x	1.61x	1.73x	1.84x	1.95x	2.05x
7%	0.64x	0.83x	1.00x	1.16x	1.31x	1.45x	1.58x	1.70x	1.82x	1.92x	2.02x
8%	0.60x	0.79x	0.97x	1.13x	1.28x	1.42x	1.55x	1.67x	1.79x	1.89x	2.00x
9%	0.56x	0.75x	0.93x	1.10x	1.25x	1.39x	1.52x	1.64x	1.76x	1.87x	1.97x
10%	0.52x	0.72x	0.90x	1.06x	1.22x	1.36x	1.49x	1.61x	1.73x	1.84x	1.95x

Fund II Return Sensitivities

Key Assumptions
- 25% rights offering discount
- '08-'13e EBITDA CAGR of 5.5%

Paul Allen Post-Money Tip	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x	LTM Exit Multiple 5.5x	6.0x	6.5x	7.0x	7.5x	8.0x
0%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
1%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
2%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
3%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
4%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
5%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
6%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
7%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
8%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
9%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
10%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x
11%	31.5%	36.2%	40.5%	44.3%	47.8%	51.0%	3.43x	4.02x	4.61x	5.21x	5.80x	6.39x

CONFIDENTIAL MEMORANDUM

To: Investment Committee

From: Jeff Marcus, Barry Volpert, Bob Delaney, Brian Cassidy, Anuj Aggarwal, Harold Kim

Date: February 4, 2009

Re: Charter Communications Update

The purpose of this memorandum is to update the Investment Committee on the restructuring process and to request preliminary approval to proceed with the following non-binding commitments:

1. **Fund I to invest $35 million as part of its pro rata share in the proposed $1.0 billion rights offering**
2. **Fund II to provide an equity commitment of $250 million as part of a backstop to the rights offering up to an effective purchase multiple of 6.25x 2009e EBITDA (after paying for the underlying detachable investment rights)**

We will seek final Investment Committee approval once terms are finalized and we have completed our due diligence within the next two weeks.

I. Situation Overview

Over the past several weeks, Crestview has been working as part of an ad hoc group ("Committee") of large CCH I bondholders to formulate a restructuring plan for Charter Communications, Inc. ("Charter" or the "Company") that is acceptable to the Company and Vulcan/Paul Allen and maximizes the value recovery to CCH I bondholders. The Committee currently holds 78% of the CCH I, 52% of the CCH II and 62% of the CIH bonds; the Committee members include Oaktree, Apollo, Fidelity, Capital Research, Western Asset Management, Franklin Resources, AIG, Contrarian Capital, MFC Global, Lord Abbett and Crestview. All of the members hold at least $100 million of combined face value of CCH I and CCH II bonds with a weighting towards the CCH I bonds.

The Committee has engaged UBS, Houlihan Lokey and Paul Weiss (together, the "Advisors") to assist with the restructuring process. The Advisors have held initial discussions with the Company and Paul Allen (who owns a majority stake in Charter's voting shares) to discuss and try to reach a mutually-agreeable pre-packaged restructuring deal. As part of the current proposal, the Committee members through a combination of rolling existing CCH II bonds into new 13.0%-13.5% senior notes due 2016 ("New Notes"), buying $300 million of New Notes and committing $1.0 billion in an equity rights offering would refinance/cash out the existing CCH II bonds and ensure that the CCH I bonds are the fulcrum security and convert into the equity of the Company.

Pursuant to ongoing discussions, our Advisors have proposed the following tentative restructuring plan:

- Company is reorganized at 6.0x 2009e EBITDA
- Senior secured debt at CCO and CCOH is reinstated
- CCH II 2010 and 2013 notes are refinanced through a combination of $1.5 billion of New Notes and $1.0 billion of cash
- All debt junior to the CCH I bonds is completely impaired
- Pre-rights offering equity value is allocated amongst CCH I, CCI and Vulcan (Paul Allen)
- CCH II bondholders in the Committee roll their approximate $1.2 billion into New Notes
- Committee members and Vulcan participate in a $1.0 billion equity rights offering
    - Equity issued at a 25% discount to plan valuation with pro rata participation rights based on ownership of CCH I bonds
    - Committee members have the right to sell the detachable rights to parties outside the group. However, equity backstop parties within the Committee receive a right of first refusal ("ROFR")
    - Backstop parties will receive commitment fees in an amount to be determined
- Up to $300 million of New Notes are issued to interested Committee members, proceeds of which are used as part of the cash consideration to the CCH II bondholders outside of the group

Our Advisors have presented the restructuring plan and a preliminary, non-binding term sheet to the Company. In order to participate directly in the negotiations with the Company, gain access to non-public information and perform due diligence on the rights offering opportunity, many of the Committee members (all except AIG, Contrarian, and Capital Research) have signed a non-disclosure agreement with the Company and have agreed to become restricted until February 17th. Charter will be hosting a due diligence session for the restricted members of the Committee this Wednesday in New York with a follow-up session planned in St. Louis as early as next week. Paul Allen's advisors will also be in New York on Thursday and Friday with the intent of negotiating an agreement with the Committee. The goal is to get all parties to agree to a restructuring plan prior to the Company's board meeting on February 10th, which is a few days before the 30-day grace period for missing junior interest payments on January 15th expires.

II. Crestview Investment Summary

Crestview currently holds $138 million face of CCH I bonds. In July 2006, we made our initial investment in the CCH I bonds, purchasing $100 million face at an average purchase price of 86.7. Over the span of a few months in 2008, we purchased an incremental $38 million of CCH I bonds at an average purchase price of 66.6. The blended purchase price for the entire investment is 82.1 including fees. Through the expiration of our Deutsche Bank loan in June, we will have received $19.5 million in net interest payments lowering our cost basis to 68.0. We have invested a total of $74.9 million in equity ($55.4 million net of interest payments received) and currently have a $40 million outstanding term loan (L +150bps) with Deutsche Bank.

The table below summarizes Crestview's current investment in the CCH I bonds.

Investment Cost Basis ($ millions)	
Investment Summary	
Face Value of Notes Purchased	$138.0
Purchase Price (excludes accrued interest paid on purchase)	$112.0
Blended Average Note Purchase Price (w/o fees)	**81.1**
Add: Transaction Fees	0.9
Blended Average Note Purchase Price (w/ fees)	**82.1**
Less: Net Interest Received(1)	(14.1)
Net Basis of Note Position	**68.0**
Total Equity Invested	**$74.9**
Term Loan from Deutsche Bank	**$40.0**

(1) Includes all interest payments due on Deutsche Bank Term Loan until maturity in June 2009. Includes $3.3 million of repayment of Dune credit facility in April 2008

III. Summary of Key Events and Next Steps

- **12/12/08** – Charter announced a plan to initiate discussions with bondholders and rationalize its capital structure
- **End of January** – Large CCH I bondholders, including Crestview, formed an ad hoc group and hired Paul Weiss, UBS and Houlihan Lokey to represent its interests
- **1/15/09** – Charter announced that two of its subsidiaries, CCH I Holdings ("CIH") and Charter Holdings, did not make scheduled interest payments of $74 million due on January 15, 2009. Charter has a 30-day grace period to make the payment
- **Mid-January** – The Advisors held initial meetings with the Company and presented the Committee with a range of potential restructuring scenarios
- **1/26/09** – Majority of Committee members (including Crestview) signed a confidentiality agreement with the Company and became restricted
- **1/27/09** – Management presentation with restricted Committee members. Charter requested Committee members to submit a term sheet discussing the proposed restructuring plan
- **1/30/09** – Advisors sent the Company a preliminary term sheet proposing a 6.0x restructuring plan with a $1.0 billion rights offering

- **2/4/09** – Planned due diligence session with Company management in New York
- **2/5/09-2/6/09** – Planned negotiations with Vulcan/Paul Allen to reach a tentative agreement on the proposed restructuring plan
- **2/10/09** – Charter board meeting to discuss and vote on a restructuring plan

IV. Proposed Restructuring Plan

Listed below are the key terms of the proposed restructuring plan:

- Company is reorganized at 6.0x 2009e EBITDA
- Senior secured debt at CCO and CCOH is reinstated
- CCH II 2010 and 2013 notes are refinanced through a combination of $1.5 billion of new CCH II 13.0-13.5% notes due 2016 and $1.0 billion of cash
- All debt junior to CCH I bonds is completely impaired
- Pre-rights offering equity value is allocated amongst CCH I, CCI and Vulcan (Paul Allen)
- CCH II bondholders in the Committee roll their approximate $1.2 billion into New Notes
- Committee members and Vulcan participate in a $1.0 billion equity rights offering
    - Equity issued at a 25% discount to plan valuation with pro rata participation rights based on pre-offering equity ownership
    - Committee members have the right to sell the detached rights to a party outside the group. However, equity backstop parties within the Committee are granted a ROFR
    - Backstop parties will receive commitment fees in an amount to be determined
- Up to $300 million of New Notes are issued to interested Committee members, proceeds of which are used as part of the cash consideration to CCH II bondholders outside of the group

<u>Other Model Assumptions</u>

- Paul Allen receives 5% ownership stake for hold-up value for reinstatement of bank debt
- All debt junior to the CCH I bonds receive 1.5% warrants as a tip
- Management receives 3.5% warrants

The table on the following page shows the capital structure of Charter pre and post-restructuring:

Pro Forma Capital Structure

$ in millions

Issue	Status Quo Amount	Status Quo 2009e EBITDA Multiple (1)	Restructuring Pre-Offering Amount	Pre-Offering Cum. 2009e EBITDA Multiple (1)	Restructuring Post-Offering Amount	Post-Offering Cum. 2009e EBITDA Multiple (1)
Charter Operating (CCO)	$10,526	4.30x	$10,526	4.30x	$10,526	4.30x
CCO Holdings	1,150	4.77x	1,150	4.77x	1,150	4.77x
CCH II						
10.25% senior notes due 9/15/2010	$1,860		1,860		0	
10.25% senior notes due 10/1/2013	614		614		0	
New 13.0%-13.5% senior notes due 2016	0		0		1,504	
Total CCH II	$2,474	5.78x	2,474	5.78x	1,504	5.38x
CCH I	$3,987	7.40x	0	5.78x	0	5.38x
CIH	$2,534	8.44x	0	5.78x	0	5.38x
CCH	441	8.62x	0	5.78x	0	5.38x
CCHC	72	8.65x	0	5.78x	0	5.38x
CCI	482	8.84x	0	5.78x	0	5.38x
Total Debt	**$21,666**	**8.84x**	**$14,150**	**5.78x**	**$13,180**	**5.38x**
Payables to CCI creditors	0	8.84x	147	5.84x	0	5.38x
Excess cash	$500	(0.20x)	$300 (2)	(0.12x)	$183	(0.07x)
Operating cash	400		400		400	
Total cash	$900		$700		$583	
Net debt (1)	**$21,166**	**8.64x**	**$13,997**	**5.71x**	**$12,997**	**5.30x**
Pre-money equity			$703		$703	
Rights offering equity			0		1,000	
Equity value			**$703**	**6.00x**	**$1,703**	**6.00x**
Enterprise value			**$14,700**	**6.00x**	**$14,700**	**6.00x**
2009e EBITDA (3)	$2,450		$2,450		$2,450	

(1) In accordance with our Advisors, net debt and all leverage ratios based on excess cash
(2) Assumes restructuring fees of $200 million
(3) Based on Advisors' downside operating case

As can be seen in the table above, the new plan would reduce the Company's leverage from 8.6x 2009e EBITDA to 5.3x and leave the Company with approximately $600 million of cash on its balance sheet to run the business. As part of the restructuring, the CCH I bonds would be converted to equity and all debt junior to the CCH I bonds would be almost entirely impaired (except for a small tip).

The proposed restructuring plan would make the CCH II bondholders outside of the Committee whole through the issuance of $300 million of New Notes and a $1.0 billion rights offering supported by the Committee. The CCH II bondholders inside the group would also agree to roll their existing $1.2 billion of CCH II bonds into New Notes. Crestview has the opportunity to invest up to $35 million in the proposed $1.0 billion equity rights offering which is pro rata for its 3.5%[1] ownership stake in the CCH I bonds. Additionally, Committee members ("Backstop Members") will have the opportunity to make additional equity commitments and backstop the rights offering in case not all CCH I bondholders commit to invest their pro rata share. The members that do not want to invest their pro rata share will be able to sell their detachable rights to members outside of the group, but the Backstop Members will have a ROFR on all sales. We have received preliminary indications from UBS that many of the mutual fund Committee members have firm structural issues that will prevent them from investing their pro rata share of equity. Apollo and Oaktree have expressed the strongest interest in participating in the backstop. In fact, Apollo has indicated to UBS that it would be willing to backstop the entire $1.0 billion rights offering. We believe that there might be a real opportunity for Crestview to invest $150 million to $250 million of capital over and above our pro rata share.

It is currently contemplated that the rights offering would be priced at a 25% discount to the plan valuation, or 5.9x 2009e EBITDA. Based on this discount rate, our pro rata share of $35 million and an additional investment

[1] There are $3,987 million of CCH I notes outstanding, of which Crestview owns $138 million

of $250 million (assuming we need to pay a 20% fee for the detachable rights) would give Crestview a 15.9% equity ownership stake in the reorganized Company. Crestview would also receive an additional 0.9% ownership through the equitization of its CCH I bond holdings. As such, Crestview's pro forma ownership (post new money) would be approximately 16.8% as summarized in the left table below. The right table shows Crestview's pro forma ownership at various detachable right fees and backstop amounts.

Crestview Equity Ownership	
Ownership from rights offering:	
Pro rata	2.3%
Backstop assuming 20% fee on detachable rights	13.6%
Total	15.9%
Ownership from existing CCH I bonds [1]	0.9%
Total Crestview ownership	16.8%

1. Based on Crestview's $138 million investment in CCH I notes

Pro Forma Crestview Ownership Sensitivities

% Fee on Detachable Rights	Implied 2009e EBITDA Multiple	Size of Backstop Including Fees $100	$150	$200	$250	$300	$350
0%	5.93x	9.7%	13.0%	16.3%	19.6%	22.8%	26.1%
5%	5.96x	9.4%	12.6%	15.7%	18.8%	21.9%	25.0%
10%	5.99x	9.2%	12.1%	15.1%	18.1%	21.1%	24.0%
15%	6.02x	8.9%	11.7%	14.6%	17.4%	20.3%	23.1%
20%	6.05x	8.7%	11.4%	14.1%	16.8%	19.6%	22.3%
25%	6.08x	8.4%	11.1%	13.7%	16.3%	18.9%	21.5%
30%	6.12x	8.2%	10.8%	13.3%	15.8%	18.3%	20.8%
35%	6.15x	8.0%	10.5%	12.9%	15.3%	17.7%	20.2%
40%	6.18x	7.9%	10.2%	12.6%	14.9%	17.2%	19.6%
45%	6.21x	7.7%	10.0%	12.2%	14.5%	16.7%	19.0%
50%	6.24x	7.6%	9.7%	11.9%	14.1%	16.3%	18.5%

Our Advisors prepared a downside operating scenario, which we used as the basis for our returns analysis. It projects '08-'13 revenue and EBITDA CAGRs of 5.2% and 5.5%, respectively, and capex to be held constant at $1.2 billion per annum. We understand this forecast to be more conservative than Management's plan, which we hear assumes a 7.2% EBITDA CAGR and capex of approximately $1.1 billion per annum.

Financial Summary of Downside Operating Case

	2008e	2009e	2010e	2011e	2012e	2013e	'08-'13 CAGR
		For the year ended December 31					
Key Financials							
Revenue	$6,505	$6,930	$7,321	$7,689	$8,046	$8,393	5.2%
% growth		6.5%	5.6%	5.0%	4.6%	4.3%	
EBITDA	2,305	2,450	2,593	2,736	2,885	3,013	5.5%
% growth		6.3%	5.8%	5.5%	5.4%	4.4%	
% margin	35.4%	35.4%	35.4%	35.6%	35.9%	35.9%	
Net interest expense [1]		(874)	(865)	(851)	(834)	(814)	
Income taxes		0	0	0	0	0	
Working capital		0	0	0	0	0	
Capex		(1,246)	(1,227)	(1,222)	(1,215)	(1,217)	
Bank amortization		(70)	(70)	(70)	(70)	(70)	
FCF (post bank amort.)		$260	$431	$593	$766	$912	
Cumulative FCF (post bank amort.)		260	690	1,283	2,049	2,961	
Total debt	$13,180	$13,093	$13,023	$12,953	$12,883	$12,813	
Excess cash	$183	$443	$873	$1,466	$2,232	$3,144	
Operating cash	400	400	400	400	400	400	
Total cash	$583	$843	$1,273	$1,866	$2,632	$3,544	
Net debt	12,597	12,250	11,750	11,087	10,251	9,269	
Credit Statistics							
Total leverage		5.34x	5.02x	4.73x	4.47x	4.25x	
Net leverage		5.00x	4.53x	4.05x	3.55x	3.08x	
Net leverage based on excess cash [2]		5.16x	4.69x	4.20x	3.69x	3.21x	

(1) Assumes 13.25% interest rate on CCH II New Notes
(2) Net leverage based on excess cash as defined by our Advisors

Despite the expected negative economic climate for 2009 and beyond, we believe that this forecast is conservative given the resiliency of the cable sector to economic downturns, Charter's underpenetration of advanced services relative to its peers and Charter's recent financial performance (Charter has achieved double-digit EBITDA growth for the past nine quarters; please refer to Exhibit A for the Company's historical operating performance).

V. Returns Analysis

Value Recovery of CCH I Bonds

The table below shows the value recovery of Crestview's CCH I bond holdings at the end of 2013 (which is derived from the 0.9% equity ownership we would receive post-reorganization) at various exit multiples and EBITDA CAGR assumptions. The shaded area indicates the EBITDA CAGRs and trailing exit multiples at which Crestview would get full recovery on its CCH I bond investment based on its net cost basis of 68.0.

Crestview CCH I Bond Recovery Sensitivities - @ 12/31/13 (1)

'08-'13e EBITDA CAGR	LTM Exit Multiple 6.0x	6.5x	7.0x	7.5x	8.0x	8.5x
0.0%	18.4%	25.8%	33.2%	40.6%	48.0%	55.4%
1.0%	24.9%	32.7%	40.5%	48.2%	56.0%	63.8%
2.0%	31.7%	39.8%	48.0%	56.2%	64.3%	72.5%
3.0%	38.6%	47.2%	55.8%	64.4%	73.0%	81.5%
4.0%	45.6%	54.8%	63.9%	72.9%	81.9%	90.9%
5.0%	53.3%	62.7%	72.2%	81.6%	91.1%	100.6%
5.5%	57.0%	66.7%	76.4%	86.1%	95.8%	105.4%
6.0%	61.0%	70.9%	80.8%	90.7%	100.6%	110.6%
7.0%	68.9%	79.3%	89.7%	100.1%	110.5%	120.9%
8.0%	77.1%	88.0%	98.9%	109.8%	120.7%	131.6%
9.0%	85.6%	97.0%	108.4%	119.8%	131.2%	142.6%
10.0%	94.3%	106.3%	118.2%	130.1%	142.0%	154.0%

(1) Calculation based on our $138 million position in CCH I notes and 0.9% pro forma equity ownership

As can be seen in the table above, at an EBITDA CAGR of 5.5%, Crestview would receive full recovery of its initial investment in $138 million face of the bonds at exit multiples greater than 6.5x.

Returns on Pro Rata Share of Rights Offering

The table below shows the projected returns on our $35 million pro rata share investment based on a range of EBITDA CAGRs and trailing exit multiples.

Assuming 25% Rights Offering Discount

'08-'13e EBITDA CAGR	LTM Exit Multiple						LTM Exit Multiple					
	6.0x	6.5x	7.0x	7.5x	8.0x	8.5x	6.0x	6.5x	7.0x	7.5x	8.0x	8.5x
0.0%	13.0%	21.3%	27.9%	33.4%	38.2%	42.5%	1.8x	2.5x	3.2x	3.9x	4.7x	5.4x
1.0%	20.4%	27.5%	33.4%	38.4%	42.8%	46.8%	2.4x	3.2x	3.9x	4.7x	5.4x	6.2x
2.0%	26.6%	32.9%	38.2%	42.9%	47.0%	50.8%	3.1x	3.9x	4.7x	5.5x	6.2x	7.0x
3.0%	32.1%	37.8%	42.7%	47.1%	51.0%	54.6%	3.7x	4.6x	5.4x	6.2x	7.1x	7.9x
4.0%	36.9%	42.2%	46.8%	51.0%	54.7%	58.1%	4.4x	5.3x	6.2x	7.1x	7.9x	8.8x
5.0%	41.3%	46.3%	50.7%	54.6%	58.2%	61.5%	5.2x	6.1x	7.0x	7.9x	8.8x	9.8x
5.5%	43.4%	48.2%	52.4%	56.3%	59.9%	63.1%	5.5x	6.5x	7.4x	8.3x	9.3x	10.2x
6.0%	45.4%	50.1%	54.3%	58.1%	61.6%	64.8%	5.9x	6.9x	7.8x	8.8x	9.8x	10.7x
7.0%	49.2%	53.7%	57.7%	61.4%	64.8%	67.9%	6.7x	7.7x	8.7x	9.7x	10.7x	11.7x
8.0%	52.8%	57.1%	61.0%	64.6%	67.9%	70.9%	7.5x	8.5x	9.6x	10.7x	11.7x	12.8x
9.0%	56.2%	60.3%	64.1%	67.6%	70.8%	73.9%	8.3x	9.4x	10.5x	11.6x	12.7x	13.8x
10.0%	59.4%	63.4%	67.1%	70.5%	73.7%	76.7%	9.2x	10.3x	11.5x	12.6x	13.8x	14.9x

As illustrated above, the rights offering investment is projected to generate very attractive returns assuming positive EBITDA growth and at least a 6.0x trailing exit multiple. Assuming a 5.5% EBITDA CAGR and 7.0x LTM exit multiple, the projected IRR and ROI are 52.4% and 7.4x, respectively.

Total Returns for Fund I Investment

The table below shows the combined returns on our Fund I investment in the CCH I bonds and pro rata participation in the Right Offering based on a range of EBITDA CAGRs and trailing exit multiples

Assuming 25% Rights Offering Discount

'08-'13e EBITDA CAGR	LTM Exit Multiple						LTM Exit Multiple					
	6.0x	6.5x	7.0x	7.5x	8.0x	8.5x	6.0x	6.5x	7.0x	7.5x	8.0x	8.5x
0.0%	(6.9%)	(1.1%)	3.4%	7.1%	10.2%	12.9%	0.7x	0.9x	1.2x	1.4x	1.7x	1.9x
1.0%	(1.7%)	3.1%	7.0%	10.3%	13.2%	15.7%	0.9x	1.2x	1.4x	1.7x	1.9x	2.2x
2.0%	2.5%	6.7%	10.2%	13.2%	15.9%	18.2%	1.1x	1.4x	1.7x	1.9x	2.2x	2.4x
3.0%	6.2%	9.9%	13.1%	15.9%	18.3%	20.5%	1.4x	1.6x	1.9x	2.2x	2.4x	2.7x
4.0%	9.4%	12.8%	15.7%	18.3%	20.6%	22.7%	1.6x	1.9x	2.2x	2.4x	2.7x	3.0x
5.0%	12.2%	15.4%	18.1%	20.6%	22.8%	24.8%	1.8x	2.1x	2.4x	2.7x	3.0x	3.3x
5.5%	13.5%	16.6%	19.2%	21.6%	23.8%	25.8%	1.9x	2.2x	2.6x	2.9x	3.2x	3.5x
6.0%	14.8%	17.8%	20.4%	22.7%	24.8%	26.7%	2.1x	2.4x	2.7x	3.0x	3.3x	3.6x
7.0%	17.2%	20.0%	22.5%	24.7%	26.7%	28.6%	2.3x	2.6x	3.0x	3.3x	3.6x	4.0x
8.0%	19.4%	22.1%	24.5%	26.6%	28.6%	30.4%	2.6x	2.9x	3.3x	3.6x	4.0x	4.3x
9.0%	21.5%	24.1%	26.3%	28.4%	30.3%	32.1%	2.8x	3.2x	3.6x	3.9x	4.3x	4.6x
10.0%	23.5%	25.9%	28.1%	30.2%	32.0%	33.7%	3.1x	3.5x	3.9x	4.3x	4.6x	5.0x

(1) Based on total investment of $150 million from Fund I (includes capital call for pro rata investment and repayment of Deutsche Bank loan)

Assuming a modest 5.5% EBITDA CAGR and 7.0x LTM exit multiple, the projected IRR and ROI are 19.2% and 2.6x, respectively.

<u>**Returns on Crestview Fund II Equity Backstop**</u>

The table below illustrates the potential returns on the equity backstop investment based on a range of prices for the detachable rights (calculated as a percentage fee of the face value of the underlying investment rights) and LTM exit multiples. The sensitivities are based on the downside operating case.

Assuming 25% Rights Offering Discount

% Fee on Detachable Rights	Implied 2009e EBITDA Multiple	LTM Exit Multiple						LTM Exit Multiple					
		6.0x	6.5x	7.0x	7.5x	8.0x	8.5x	6.0x	6.5x	7.0x	7.5x	8.0x	8.5x
0%	5.93x	43.4%	48.2%	52.4%	56.3%	59.9%	63.1%	5.5x	6.5x	7.4x	8.3x	9.3x	10.2x
5%	5.96x	41.9%	46.7%	50.9%	54.7%	58.2%	61.5%	5.3x	6.2x	7.1x	7.9x	8.8x	9.7x
10%	5.99x	40.5%	45.2%	49.4%	53.2%	56.7%	59.9%	5.0x	5.9x	6.7x	7.6x	8.4x	9.3x
15%	6.02x	39.2%	43.9%	48.0%	51.8%	55.2%	58.4%	4.8x	5.6x	6.4x	7.3x	8.1x	8.9x
20%	6.05x	38.0%	42.6%	46.7%	50.4%	53.8%	57.0%	4.6x	5.4x	6.2x	7.0x	7.7x	8.5x
25%	6.08x	36.8%	41.4%	45.4%	49.1%	52.5%	55.6%	4.4x	5.2x	5.9x	6.7x	7.4x	8.2x
30%	6.12x	35.7%	40.2%	44.3%	47.9%	51.3%	54.4%	4.3x	5.0x	5.7x	6.4x	7.1x	7.9x
35%	6.15x	34.6%	39.1%	43.1%	46.7%	50.1%	53.1%	4.1x	4.8x	5.5x	6.2x	6.9x	7.6x
40%	6.18x	33.6%	38.0%	42.0%	45.6%	48.9%	52.0%	4.0x	4.6x	5.3x	6.0x	6.6x	7.3x
45%	6.21x	32.6%	37.0%	41.0%	44.6%	47.8%	50.9%	3.8x	4.5x	5.1x	5.8x	6.4x	7.0x
50%	6.24x	31.6%	36.0%	40.0%	43.5%	46.8%	49.8%	3.7x	4.3x	4.9x	5.6x	6.2x	6.8x

Even when assuming we pay an expensive 50% fee for the detachable rights – or a 6.24x 2009e EBITDA effective purchase multiple – projected returns are still in excess of 31% at LTM exit multiples of 6x or greater.

VI. Investment Highlights

- *Very Compelling Projected Returns*
  - Pro rata investment returns for a 5.5% EBITDA CAGR case are in excess of 40% for exit multiples ≥ 6.0x
  - Backstop investment returns are in excess of 30% for detachable right fees up to 50% of face
- *Attractive Valuation Relative to Historical Industry Averages*
  - Public cable companies have historically traded in the 8-10x EBITDA multiple range
  - Private transactions have historically been completed in the 10-12x EBITDA multiple range
- *Attractive Exit Alternatives*
  - Charter is an attractive acquisition candidate for both Time Warner and Comcast (assuming the subscriber cap is adjusted or removed) given its attractive markets and size as well as smaller strategics and private equity firms who would be interested in certain systems and regions
  - Synergies from programming and high speed internet (HSI) savings could be worth 1x of EBITDA in a merger scenario
  - We believe that in a normalized market a strategic would pay 7-8x for this asset

- *Appropriately Levered and Reasonably Priced Capital Structure*
  - Pro forma for the rights offering, the Company will be levered at 5.3x 2009e EBITDA with a 12% equity cushion at 6.0x
  - The average cost of the debt would be approximately 7%
- *Resiliency of Cable Sector in Economic Downturns*
  - Cable companies have historically fared well even in economic downturns
  - With 2009 earnings visibility nonexistent in most sectors, cable seems to be one of the safer potential investment areas
- *Significant Tax Attributes*
  - Pro forma for the restructuring, Charter will have $3.1 billion of basis step-up and $4.9 billion in NOLs
  - Charter will not pay any taxes in the near future
  - This tax basis step-up could be worth 1.5x of EBITDA to a strategic in a merger scenario
- *Familiarity with the Company*
  - Marcus Cable still comprises 20% of Charter
  - We invested in the CCH I bonds over 2.5 years ago and have followed the Company closely since
- *Strong Management Team*
  - Charter's performance has turned around and is closing the gap with its peers in the industry since Neil Smit (President & CEO) came to the Company in 2005
  - We will have the opportunity to conduct more diligence on senior and regional management over the next two weeks
- *Higher Growth Potential Relative to its Peers*
  - Charter lags its peers in terms of HSI, phone and advanced services penetration due to later deployment
  - Current EBITDA margin of 35.2% (2008 3QYTD) is significantly lower than the large MSOs (~38.8%) and even trails OneLink (36.9%)
- *Manageable Telco Competition*
  - Charter only overlaps with Verizon in 20% of its territories
  - Charter overlaps with AT&T in 64% of its territories but U-Verse is less of a threat given its fiber to the node strategy and slowing deployment (AT&T is now going to focus on wireless more than video)
  - To date, Telcos have built out video in only 14-17% of Charter's market by homes passed
- *Impressive Recent Financial Performance*
  - Charter has experienced double-digit EBITDA growth for the last 9 quarters

VII. Risks and Mitigants

Risks	Mitigants
• **Investment Concentration**	• Assuming we will need to pay off the DB loan in June with equity, we are asking for preliminary approval to invest a combined $400 million of equity in Charter, or $380 million net of interest payments received (Fund I - $150 million; Fund II - $250 million) • We will most likely be able to exit our investment in stages after the company goes public • We will still be at or under the 10% investment threshold for both Fund I and Fund II
• **Minority Ownership Position**	• Even with a $250 million equity investment out of Fund II, Crestview would own no more than 15% of the Company • We would get one board seat • Committee members find Jeff Marcus's cable industry experience valuable and would likely seek his guidance on business strategy, giving Crestview greater influence on the Company

	• We are hopeful that we will be able to negotiate the right to change management if it does not perform well
• **Fund Cross-Ownership Complications**	• There could be potential conflicts of interest between the two fund investments (different bases, appearance that Fund II investment is fortifying the Fund I investment through increased ownership and control, etc.) • We plan on having discussions with our larger LPs, specifically the ones that are only investors in one of the two funds • Preliminary discussions with Wellcome Trust indicate that they would be entirely comfortable with a Fund II investment in Charter equity
• **Plan Valuation at Premium to Current Comps**	• The large, public MSOs are currently trading at 5-6x EBITDA • However, private market multiples are still at 8-10x EBITDA • There would be approximately ~2.5x of synergies and tax savings in a merger scenario with another larger MSO
• **Significant Leverage**	• Post-restructuring, the Company will be levered at 5.3x • However, the Company is expected to generate substantial free cash flow even in a low-growth scenario ($2.8 billion over the next 4.5 years) • Fixed coverage ratio in 2009 is expected to be 1.4x • The restructured Company would be free cash flow break-even at approximately $2.19 billion of EBITDA, or 11% lower than 2009e EBITDA of $2.45 billion

VIII. Recommendation

At this time, we recommend that Crestview Fund I make a non-binding commitment to invest $35 million in the rights offering (its pro rata share) and Crestview Fund II to make a non-binding commitment of $250 million up to an effective purchase price (after the paying for the detachable rights) of 6.25x 2009e EBITDA. We plan on coming back to the Investment Committee to seek final approval for these commitments once terms are finalized and our due diligence is completed within the next two weeks.

IX. Key Due Diligence Items

1) Analyze feasibility of management projections
2) Assess quality of senior and regional management teams
3) Verify tax attributes – NOLs, basis step-up
4) Review bank agreements – maturities, events of default, etc.

X. Exhibits

Exhibit A – Historical Operating Performance
Exhibit B – Rights Offering Returns Analysis Model Summary
Exhibit C – Comparable Company Analysis
Exhibit D – Precedent Transaction Analysis
Exhibit E – Merger Synergy and Tax Benefit Analysis
Exhibit F – Preliminary Term Sheet

Exhibit A – Charter Communications Historical Operating Performance

		2006A					2007A					2008A			
FYE Dec 31,		Q1	Q2	Q3	Q4	2006A	Q1	Q2	Q3	Q4	2007A	Q1	Q2	Q3	2008YTD
[illegible]	Revenue	$1,287	$1,349	$1,372	$1,400	$5,408	$1,416	$1,490	$1,517	$1,548	$5,971	$1,564	$1,623	$1,636	$4,823
	% growth	*8.1%*	*9.1%*	*10.9%*	*11.7%*	*10.0%*	*10.0%*	*10.5%*	*10.6%*	*10.6%*	*10.4%*	*10.5%*	*8.9%*	*7.8%*	*9.0%*
	Adj. EBITDA	438	486	462	500	$1,886	493	537	508	563	$2,101	545	591	563	$1,699
	% margins	*34.0%*	*36.0%*	*33.7%*	*35.7%*	*34.9%*	*34.8%*	*36.0%*	*33.5%*	*36.4%*	*35.2%*	*34.8%*	*36.4%*	*34.4%*	*35.2%*
	% growth	*(0.8%)*	*4.7%*	*6.9%*	*10.3%*	*5.3%*	*12.6%*	*10.5%*	*10.0%*	*12.6%*	*11.4%*	*10.5%*	*10.1%*	*10.8%*	*10.5%*
	Capex	241	298	256	308	$1,103	298	281	311	354	$1,244	334	316	288	$938
	% revenue	*18.7%*	*22.1%*	*18.7%*	*22.0%*	*20.4%*	*21.0%*	*18.9%*	*20.5%*	*22.9%*	*20.8%*	*21.4%*	*19.5%*	*17.6%*	*19.4%*
[illegible]	Total ARPU	$78.65	$82.60	$84.47	$86.92	$86.92	$88.32	$93.01	$95.45	$98.13	$98.13	$100.16	$104.35	$106.07	$106.07
	% growth	*9.7%*	*10.0%*	*12.8%*	*13.2%*	*11.2%*	*12.3%*	*12.6%*	*13.0%*	*12.9%*	*12.9%*	*13.4%*	*12.2%*	*11.1%*	*11.1%*

Source: Company filings

Exhibit B – Rights Offering Returns Analysis Model Summary – 6.0x Reorg. Multiple; $1.0Bn Rights Offering; 25% Discount; 5.93x 2009e EBITDA

Crestview Investment in Rights Offering

	$mm
Pro Rate Investment from Fund I	$35
Investment from Fund II[1]	
Fees to Detachable Rights Holders	$42
Equity Backstop Investment	$208
Total Equity Investment	**$250**

Sources & Uses

Sources	$mm	%
Rights Offering:		
Crestview pro rata amount	$35	3%
Crestview backstop [1]	208	21%
Other CCH I participants	757	76%
Proceeds from rights offering	$1,000	100%
CCH II new 13.3% notes	300	
Existing cash	117	
Total sources	$1,417	

Uses	$mm	%
Repurchase of CCH II notes	$1,270	90%
Payables to CCI creditors	147	10%
Total uses	$1,417	100%

Capitalization at 6.0x Reorganization @ 3/31/08

Pre-Rights Offering	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	10,526	4.30x
CCOH debt	1,150	4.77x
CCH II debt	2,474	5.78x
Total debt	**$14,150**	**5.78x**
Payables to CCI creditors	$147	5.84x
Excess cash [2]	$300	(0.12x)
Net debt	**$13,997**	**5.71x**
Pre-Rights Offering Equity		% Own.
CCH I bondholders	$548	77.9%
Vulcan - CCVIII	120	17.1%
Vulcan - Bank debt reinstatement	35	5.0%
Total equity value	**$703**	**100.0%**
Total enterprise value	$14,700	6.00x

Post-Rights Offering	$mm	2009e EBITDA Multiple
Debt Summary		
CCO debt	10,526	4.30x
CCOH debt	1,150	4.77x
CCH II new notes	1,504	6.38x
Total debt	**$13,180**	**5.38x**
Payables to CCI creditors	$0	5.38x
Excess cash [2][3]	$183	(0.07x)
Net debt	**$12,997**	**5.30x**
Post-Rights Offering Equity		% Own.
CCH I holders - pre-money equity	$458	26.9%
CCH I holders - rights offering equity	1,115	65.5%
Vulcan	130	7.6%
Total equity value	**$1,703**	**100.0%**
Total enterprise value	$14,700	6.00x

Crestview Equity Ownership

Ownership from existing CCH I bonds [4]	0.9%
Crestview ownership from rights offering:	
Pro rata	2.3%
Backstop assuming 20% fee on detachable rights	13.6%
Total	**15.9%**
Total Crestview ownership	16.8%

Notes

1. Assuming 20% fees and total $250 million Fund II investment, equity backstop is $208 million
2. Net of $200 million in restructuring fees. Excludes $400 million of maintenance cash required
3. Includes cash payout to CCI creditors of $147 million
4. Based on Crestview's $138 million investment in CCH I notes ($3,987 million total outstanding)
5. Assumes that debt maturities are refinanced at existing terms
6. Pro forma for rights offering. Includes $400 million of maintenance cash required
7. Interest coverage ratio defined as EBITDA divided by gross interest expense
8. Fixed charge coverage ratio defined as EBITDA less capex divided by gross interest expense

Financial Summary

	For the year ended December 31						'08-'13
	2008e	2009e	2010e	2011e	2012e	2013e	CAGR
Key Financials							
Revenue	$6,505	$6,930	$7,321	$7,689	$8,046	$8,393	5.2%
% growth		6.5%	5.6%	5.0%	4.6%	4.3%	
EBITDA	2,305	2,450	2,593	2,736	2,885	3,013	5.5%
% growth		6.3%	5.8%	5.5%	5.4%	4.4%	
% margin	35.4%	35.4%	35.4%	35.6%	35.9%	35.9%	
Net interest expense		(874)	(885)	(851)	(834)	(814)	
Income taxes		0	0	0	0	0	
Working capital		0	0	0	0	0	
Capex		(1,246)	(1,227)	(1,222)	(1,215)	(1,217)	
Bank amortization		(70)	(70)	(70)	(70)	(70)	
FCF (post bank amort.)		**$260**	**$431**	**$593**	**$766**	**$912**	
Cumulative FCF (post bank amort.)		**260**	**690**	**1,283**	**2,049**	**2,961**	
Debt Capitalization Summary [5]							
CCO debt	$10,526	$10,439	$10,369	$10,299	$10,229	$10,159	
CCOH debt	1,150	1,150	1,150	1,150	1,150	1,150	
CCH II new notes	1,504 [6]	1,504	1,504	1,504	1,504	1,504	
Total debt	$13,180	$13,093	$13,023	$12,953	$12,883	$12,813	
Total cash	583 [6]	843	1,273	1,866	2,632	3,544	
Net debt	12,597	12,250	11,750	11,087	10,251	9,269	
Credit Statistics							
Interest coverage ratio [7]		2.80x	3.00x	3.21x	3.46x	3.70x	
Fixed charge coverage ratio [8]		1.38x	1.58x	1.78x	2.00x	2.21x	
FCF (post bank amort.) as % of net debt		2.1%	3.7%	5.3%	7.5%	9.8%	
Total leverage (through CCOH)		4.73x	4.44x	4.18x	3.94x	3.75x	
Net leverage (through CCOH)		4.39x	3.95x	3.50x	3.03x	2.58x	
Total leverage		5.34x	5.02x	4.73x	4.47x	4.25x	
Net leverage		5.00x	4.53x	4.05x	3.55x	3.08x	

Valuation @ Exit (12/31/13)

FY2013e EBITDA	$3,013
Exit multiple	7.0x
Total enterprise value	$21,091
Net debt @ 12/31/13	(9,269)
Equity value	$11,822
Less warrants:	
Management (3.5%)	(354)
Junior debt (1.5%)	(152)
Equity value adj. for warrants	**$11,316**
Return on Pro Rata:	
Crestview equity @ 2.3% ownership	$256
Initial rights offering investment (incl. pro rata)	35
IRR	52.4%
ROI	7.4x
Return on Backstop:	
Crestview equity @ 13.6% ownership	$1,544
Initial rights offering investment (incl. pro rata)	250
IRR	46.7%
ROI	6.2x

Assumptions

Reorganization multiple	6.0x
Rights offering discount	25.0%
Warrants	
Junior debt	1.5%
Management	3.5%
Total	**5.0%**
Vulcan pre-money equity for bank reinstatement	5.0%
% fee on detachable rights	20.0%

Exhibit C – Comparable Company Analysis

COMPARABLE COMPANY DETAILS

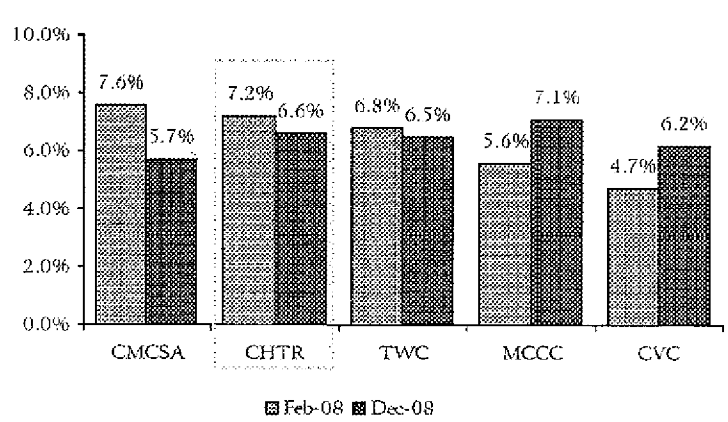
	Comcast		Time Warner Cable	Charter		Cablevision			Mediacom	
	Total	Cable Only	Book Value	Book Value	Mkt Value	Total	Cable (BV)	Cable (MV)	Book Value	Mkt Value
Current Stock Price	15.70	15.70	19.66	0.15	0.15	18.08	18.08	18.08	4.49	4.49
Equity Value	44,540	44,540	19,207	116	116	5,373	5,373	5,373	298	298
Enterprise Value	70,662	62,003	36,597	20,850	12,276	17,101	12,300	11,919	3,635	3,399
TEV / EBITDA (x)										
2007A	6.0	5.2	6.4	9.9	5.8	8.2	6.7	6.5	7.9	7.3
2008E	5.4	4.9	5.9	9.0	5.3	7.2	6.1	5.9	7.2	6.7
2009E	5.1	4.6	5.5	8.2	4.8	6.5	5.6	5.5	6.8	6.4
TEV / Basic Subs ($)										
2007A	2,937	2,577	2,762	3,998	2,352	5,476	3,938	3,816	2,747	2,567
2008E	2,908	2,552	2,764	4,101	2,412	5,493	3,951	3,829	2,792	2,578
2009E	2,945	2,584	2,788	4,206	2,474	5,544	3,988	3,864	2,844	2,571
TEV / EBITDA-Capex (x)										
2007A	12.6	10.4	15.8	24.4	14.3	13.1	10.7	10.4	15.4	14.4
2008E	9.3	8.4	13.4	19.5	11.5	11.2	9.9	9.6	15.7	15.5
2009E	8.7	7.8	11.6	16.2	9.6	10.3	9.2	8.9	14.9	11.9
Operating Statistics (%)										
2008-10 Revenue Growth	6.1	5.7	6.5	6.6		7.4	6.2		7.1	
2008-10 EBITDA Growth	6.2	6.0	7.6	8.7		8.3	6.5		5.8	
2008E EBITDA Margin	38.4	39.3	36.2	35.6		32.5	39.5		36.0	
2008E (EBITDA-Capex) Margin	22.2	22.9	15.9	16.5		29.6	24.2		15.7	
Credit Statistics (x)										
Total Debt / LTM EBITDA	2.6	2.7	3.6	9.5		5.6	4.4		6.7	
Total Debt / 2008E EBITDA	2.6	2.6	3.5	9.3		5.4	4.4		6.7	
Total Debt / 2009E EBITDA	2.4	2.5	3.3	8.5		4.9	4.1		6.4	
LTM EBITDA / Interest Expense	5.3	5.2	7.1	1.2		2.6	3.9		2.3	
(EBITDA-CapEx) / Interest Expense	3.0	3.0	2.9	0.5		1.6	2.4		1.1	

[1] *Includes adjustment for public equity stakes and other investments based on Wall Street research.*
[2] *Includes non-cable asset and other ownership adjustments based on Wall Street research.*

Exhibit C – Comparable Company Analysis (cont'd)

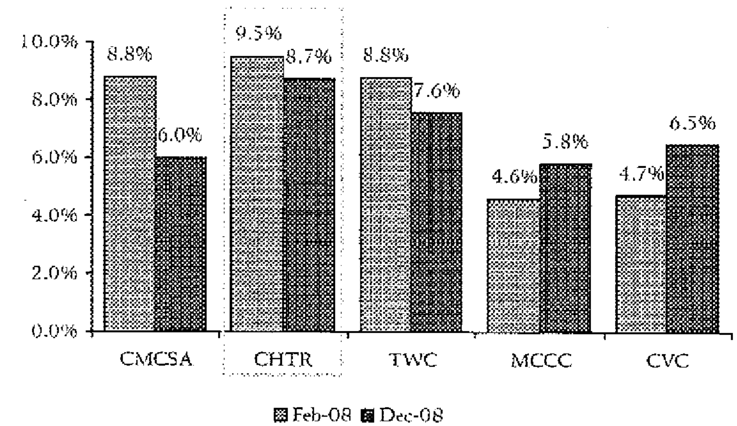
CABLE INDUSTRY ESTIMATE CHANGES

2008-2010 Revenue Growth



($mm)	CMCSA	CHTR	TWC	MCCC	CVC
Feb 2008					
2008	32,578	6,515	17,252	1,378	5,068
2009	35,140	7,006	18,464	1,453	5,328
2010	37,695	7,484	19,676	1,538	5,556
Dec 2008					
2008	32,370	6,499	17,225	1,397	5,128
2009	34,302	6,944	18,329	1,489	5,469
2010	36,146	7,379	19,524	1,604	5,786

2008-2010 EBITDA Growth

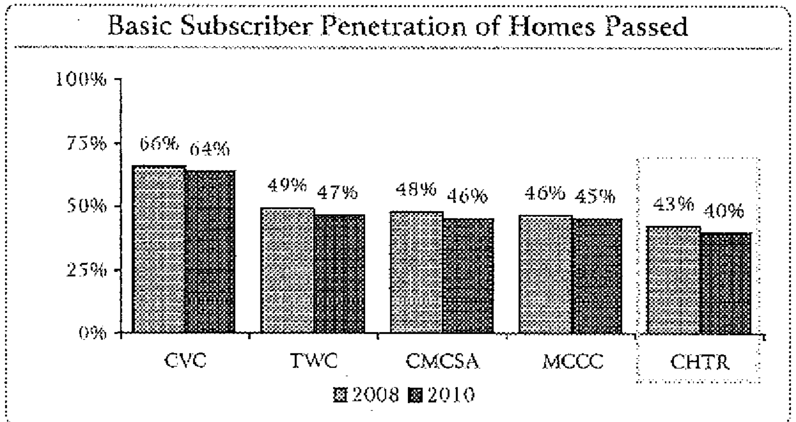


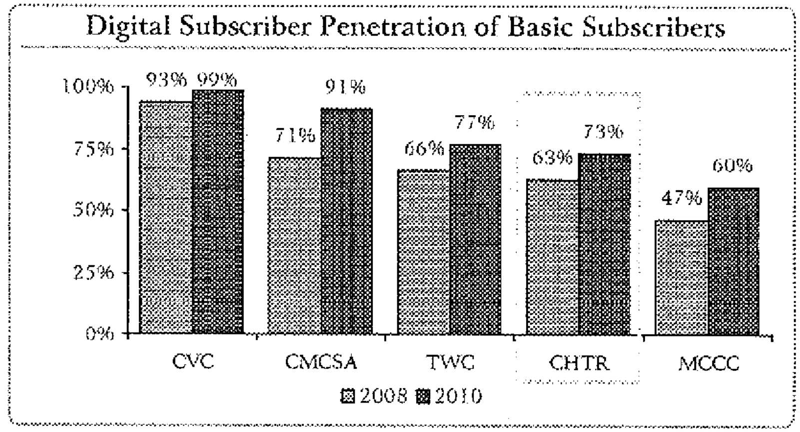
($mm)	CMCSA	CHTR	TWC	MCCC	CVC
Feb 2008					
2008	13,246	2,326	6,302	489	1,971
2009	14,431	2,548	6,881	506	2,075
2010	15,676	2,788	7,466	535	2,161
Dec 2008					
2008	12,724	2,315	6,237	504	2,026
2009	13,490	2,534	6,693	530	2,181
2010	14,296	2,737	7,226	563	2,299

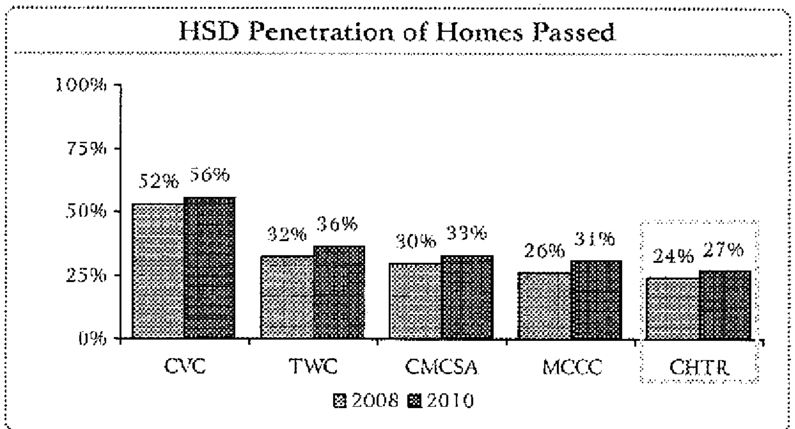
Source: Wall Street research

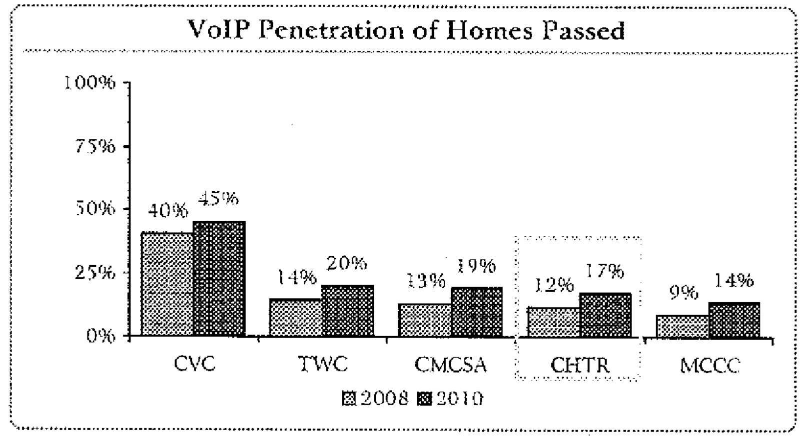
Exhibit C – Comparable Company Analysis (cont'd)

SUBSCRIBER PENETRATION BY PRODUCT







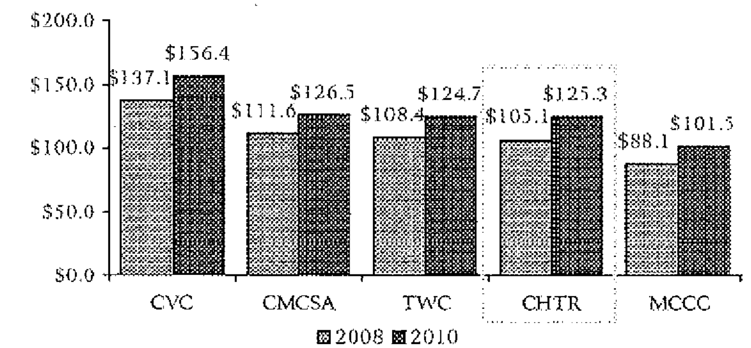


Source: Wall Street research
Note: Reflects cable operations only for Comcast and Cablevision

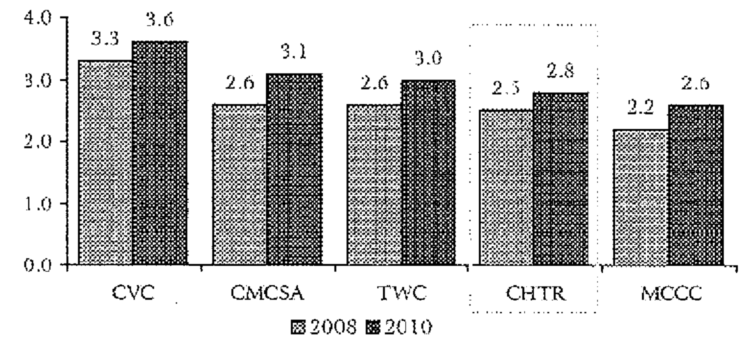
Exhibit C – Comparable Company Analysis (cont'd)

FINANCIAL DRIVERS

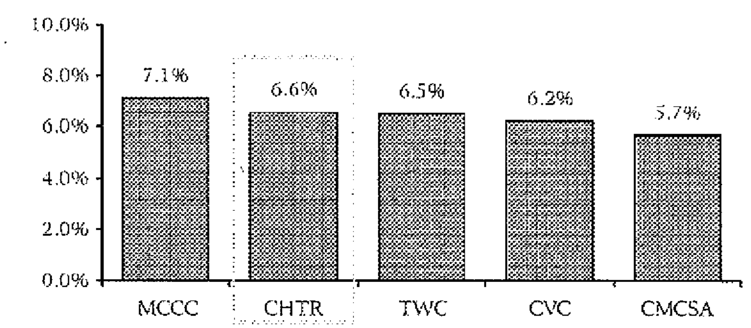
Total ARPU



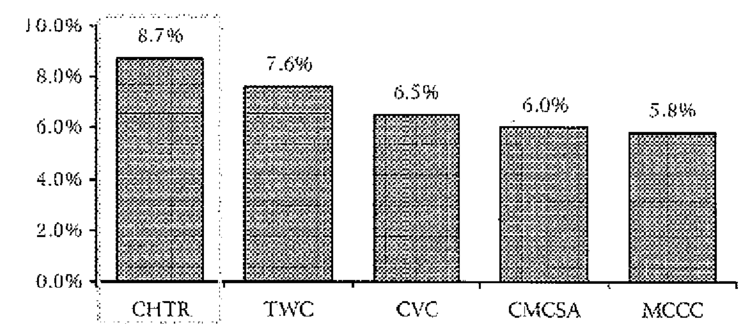
RGUs / Basic Subscriber



2008-2010 Revenue Growth



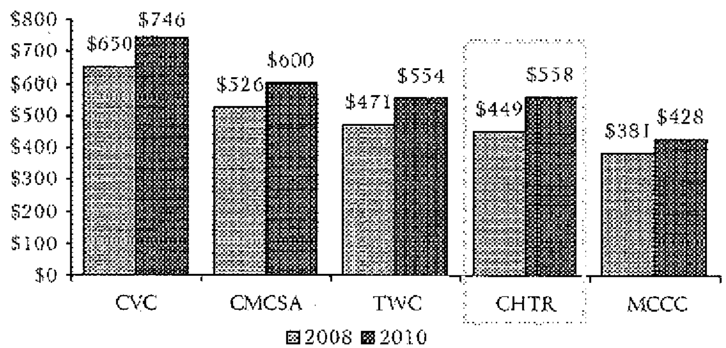
2008-2010 EBITDA Growth



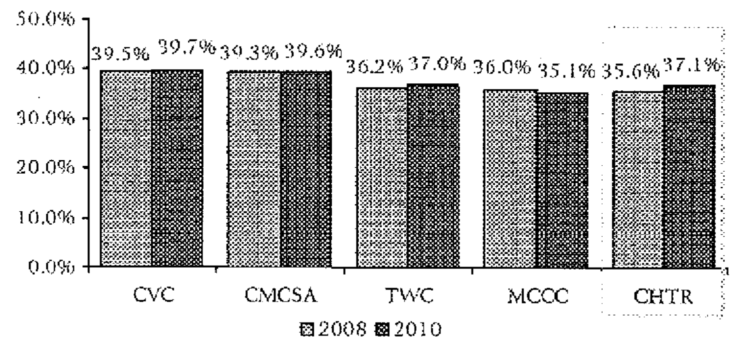
Source: Wall Street research
Note: Reflects cable operations only for Comcast and Cablevision

EBITDA AND CAPEX METRICS

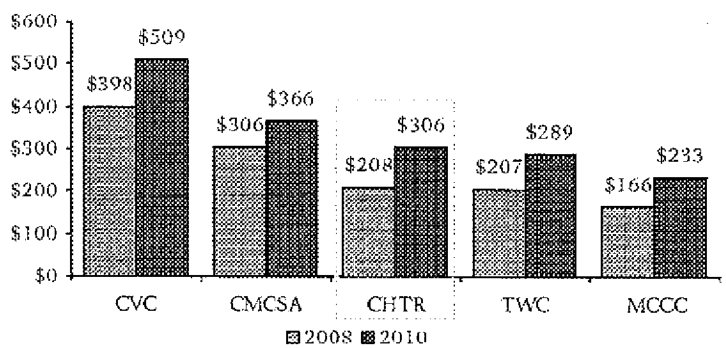
EBITDA / Basic Subscriber



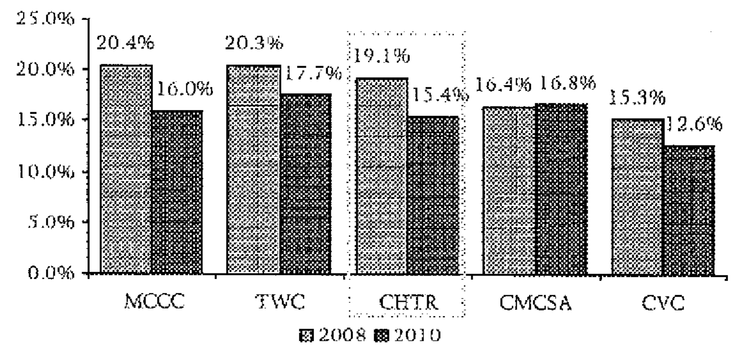
EBITDA Margin



Capex / Basic Subscriber



Capex as a % of Revenue



Source: Wall Street research
Note: Reflects cable operations only for Comcast and Cablevision

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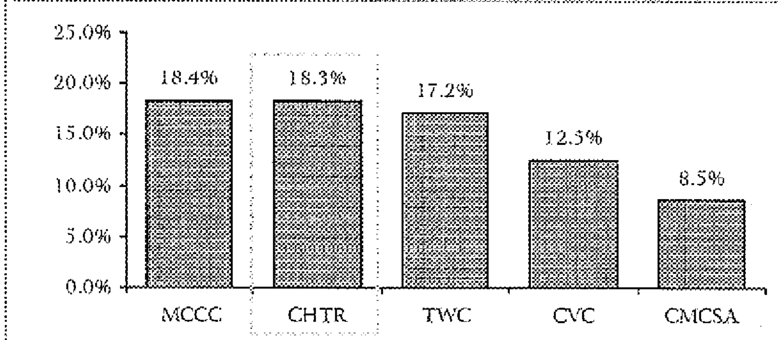
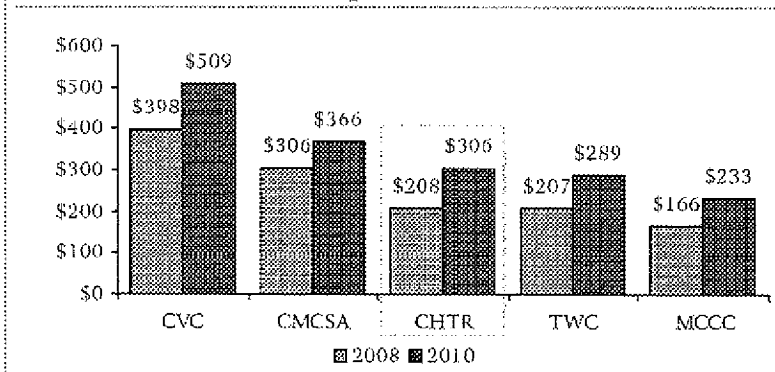
Operating Free Cash Flow Metrics

2008 – 2010 EBITDA – Capex Growth



EBITDA – Capex / Basic Subscriber

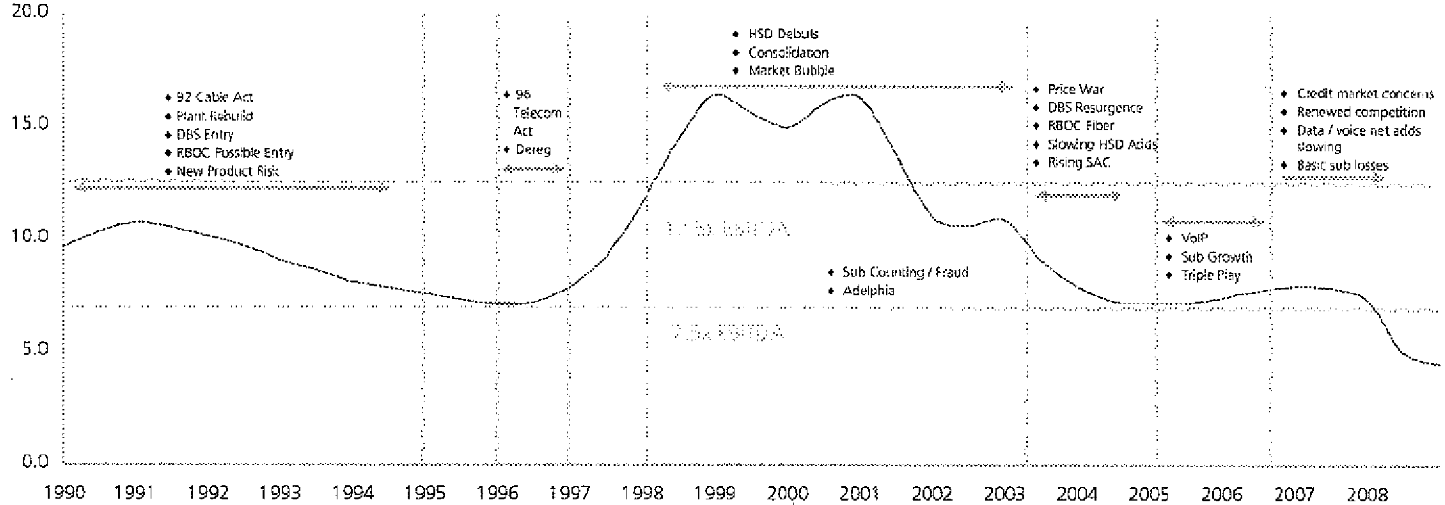


Source: Wall Street research(C)
Note: Reflects cable operations only for Comcast and Cablevision

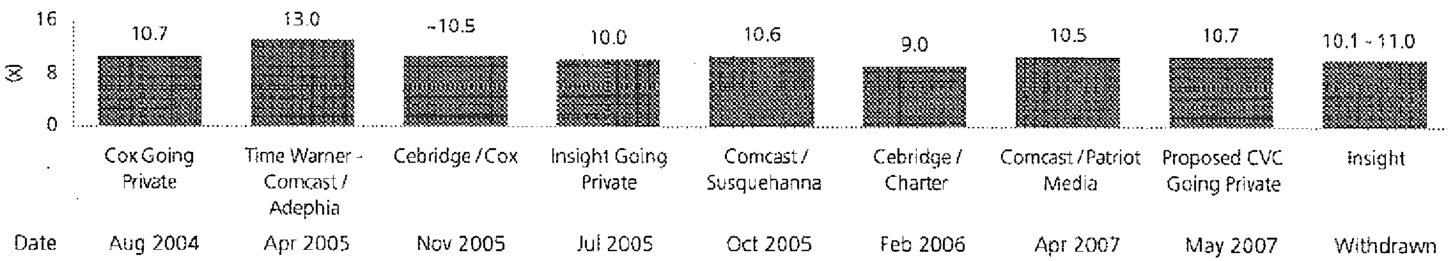
Public and Private Multiple Disconnects

Recent downturn in public cable valuations has created a disconnect versus private multiples, although no recent meaningful M&A data points

Public Valuation Multiples



Recent Private Market Multiples [1]



Source: UBS and Wall Street research
Note:
1 Insight multiples reflect bid / ask of $2.75 billion and $3.0 billion in 2007 auction process

Effective Cable Transaction Multiples

Strategics have looked at effective multiples after tax benefits and synergies

Buyer / Target	Comcast / Patriot Media	Comcast / Susquehanna	Cabridge / Charter	TWC/Comcast / Adelphia
Transaction Overview				
TEV ($mm)	493	775	760	17,600
Subscribers (000s)	81	226	240	5,017
Tax Feature	754 Election	Partnership Redemption	Basis Step-Up	Basis Step-Up
Tax Value ($mm) [1,3,5,7]	~80	~100	~125	3,400
Synergies ($mm) [2,3,6,7]	15 – 20	25 – 30	9.3	na
EBITDA ($mm)	46.9	73.1	84.1	1,354
Adj. EBITDA ($mm)	66.9	100.6	93.4	na
Multiples				
EBITDA (x)	10.5	10.6	9.0	13.0
Subscribers ($)	6,086	3,429	3,167	3,700
Adjusted Multiples [4]				
EBITDA (x)	6.2	6.7	6.8	9.0 – 11.0
Subscribers ($)	5,099	2,987	2,646	2,700 – 2,900
Adjustment Difference				
EBITDA (x)	4.3	3.9	2.2	3.0
Subscribers ($)	988	442	521	900

Notes:
1 Patriot tax benefits estimated by UBS
2 Patriot synergies estimated by Patriot management
3 Susquehanna synergies and tax benefits per Comcast investor presentation
4 Comcast was a 30% partner in Susquehanna and marketed multiples as cash consideration ($2,794 per sub and 6.4x EBITDA)
5 Cebridge step-up value estimated by UBS
6 Cebridge synergies per lenders presentation.
7 Adelphia tax benefits and synergies per Comcast and Time Warner Cable investor presentations

Synergy Opportunity

Strategic buyers should be well positioned to realize substantial synergies

Programming	• Channel line-up comparison • Approximately 20% programming benefits • Structure may impact ability to realize savings
Corporate Overhead	• St. Louis corporate operations • One time costs: severance and office space termination payments • Approximately 10% G&A savings • Approximately 50% Management fee savings
Regional and District Level Savings	• Contiguous properties should allow for regional overhead reduction • District level to be evaluated • Call center consolidation – Some interconnects already in place
HSD Bandwidth and Billing	• Potential savings based on better per sub prices • Billing system TBD
Insurance	• Potential synergies based on better pricing
Equipment	• Pricing on STBs, switches, plant maintenance
Potential Costs	• Call center integration? • STB integration? • Branding • Friction from integration, channel lineup changes, new programming, etc.

Illustrative Valuation Matrix

Meaningful range of valuation multiples between headline values and after -tax / synergy values

	Charter Valuation							
Implied Enterprise Value	15,000	16,500	18,000	19,500	21,000	22,500	24,000	25,500
Tax Affected Enterprise Value[1]	11,031	12,531	14,031	15,531	17,031	18,531	20,031	21,531
Multiples								
2008 EBITDA: $2,303mm	6.5	7.2	7.8	8.5	9.1	9.8	10.4	11.1
2009 EBITDA: $2,457mm	6.1	6.7	7.3	7.9	8.5	9.2	9.8	10.4
2010 EBITDA: $2,646mm	5.7	6.2	6.8	7.4	7.9	8.5	9.1	9.6
2008 Subscribers: 5,049,333	2,971	3,268	3,565	3,862	4,159	4,456	4,753	5,050
Tax Affected Multiples[1]								
2008 EBITDA: $2,303mm	4.8	5.4	6.1	6.7	7.4	8.0	8.7	9.4
2009 EBITDA: $2,457mm	4.5	5.1	5.7	6.3	6.9	7.5	8.2	8.8
2010 EBITDA: $2,646mm	4.2	4.7	5.3	5.9	6.4	7.0	7.6	8.1
2008 Subscribers: 5,049,333	2,185	2,482	2,779	3,076	3,373	3,670	3,967	4,264
Tax Affected & Margin Adjusted Multiples[2]								
2008 EBITDA: $2,507mm	4.4	5.0	5.6	6.2	6.8	7.4	8.0	8.6
2009 EBITDA: $2,683mm	4.1	4.7	5.2	5.8	6.3	6.9	7.5	8.0
2010 EBITDA: $2,855mm	3.9	4.4	4.9	5.4	6.0	6.5	7.0	7.5
Tax Affected & Synergy Adjusted Multiples[3]								
2008 EBITDA: $2,738mm	4.0	4.6	5.1	5.7	6.2	6.8	7.3	7.9
2009 EBITDA: $2,928mm	3.8	4.3	4.8	5.3	5.8	6.3	6.8	7.4
2010 EBITDA: $3,140mm	3.5	4.0	4.5	4.9	5.4	5.9	6.4	6.9

Notes
1 Assumes basis of 20% of TEV and 6% discount rate
2 Assumes average cable 2008 EBITDA margin for CMCSA, CVC and TWC of 38.8%
3 Assumes run rate synergies of 20% programming expense savings, 10% G&A savings, and 50% Management fee savings

Exhibit F – Preliminary Term Sheet

THIS TERM SHEET IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN.

SUCH OFFER OR SOLICITATION ONLY WILL BE MADE IN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

CHARTER COMMUNICATIONS, INC.

TERM SHEET FOR PROPOSED JOINT CHAPTER 11 PLAN OF REORGANIZATION

This term sheet (this "Term Sheet") describes the principal terms of a proposed restructuring of Charter Communications, Inc. ("CCI"), together with its affiliates and subsidiaries that are expected to be debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") (collectively, the "Debtors"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in Annex A. Certain tax and structuring matters relating to the proposed restructuring are described in Annex B.[2]

PLAN PROPONENTS:	The Debtors.
PLAN OF REORGANIZATION:	The Debtors shall file a joint plan of reorganization (the "Plan") and related disclosure statement (the "Disclosure Statement") that incorporate, and are consistent with, this Term Sheet. The Plan and the Disclosure Statement shall be in form and substance reasonably acceptable to members of the unofficial committee of holders of CCH I Notes and CCH II Notes (the "Committee") holding a majority in principal amount of the CCH I Notes held by all members of the Committee (the "Requisite Noteholders"). The Plan shall address, among other things, (a) the Debtors' obligations under the CCO Credit Facility; (b) the Debtors' obligations under the CCO Notes; (c) the Debtors' obligations under the CCOH Credit Facility; (d) the Debtors' obligations under the CCOH Notes; (e) the Debtors' obligations under the CCH II Notes; (f) the Debtors' obligations under the CCH I Notes; (g) the Debtors' obligations under the CIH Notes; (h) the Debtors' obligations under the Charter Holdings Notes; (i) the Debtors' obligations under the CCHC Note; (j) the Debtors' obligations under the Charter Holdco Notes; (k) the Debtors' obligations under the CCI Notes; (l) the Debtors' other obligations, including intercompany obligations; (m) the Class A preferred units of CC

2 We understand that the advisors to CCI and Paul Allen are preparing Annex B.

	VIII, LLC (the "CC VIII Preferred Units"); (n) the equity securities of Charter Holdco; and (o) the Debtors' other equity securities, including options, warrants and rights related thereto.
DEFINITIVE DOCUMENTS:	The transactions described in this Term Sheet are subject in all respects to, among other things, definitive documentation, including the Plan, the documents to be included in the supplement to the Plan, and the Disclosure Statement, all of which shall be in form and substance reasonably satisfactory to the Requisite Noteholders.
PLAN FUNDING AND CAPITAL COMMITMENTS:	The Plan will be funded with cash from operations, an exchange for new debt of CCH II, LLC, the purchase of additional debt of CCH II, LLC, if necessary, and the proceeds of a rights offering by CCI, as follows:
Exchange for CCH II Notes	CCH II, LLC shall effectuate an offer in conjunction with and pursuant to the Plan (the "Exchange") to existing holders of CCH II Notes to exchange CCH II Notes for new [13.0 - 13.5]% Senior Notes of CCH II, LLC and CCH II Capital Corp. due 20[16][3] to be issued pursuant to a new indenture substantially similar to the indenture pursuant to which the CCH II Notes were issued (the "New CCH II Notes"). CCH II Notes that are not exchanged in the Exchange shall be converted into the right to receive cash in the amount of outstanding principal plus accrued but unpaid interest and Post-Petition Interest, but excluding any call premiums or any prepayment penalties and without giving effect to any default interest rate (the aggregate amount to be paid in cash, the "Cash Amount"). The maximum principal amount of New CCH II Notes to be issued pursuant to the Plan shall be $1.5 billion (the "Target Amount").
Rollover Commitment by Members of the Committee	Certain members of the Committee (the "Rollover Commitment Parties") will, severally and not jointly, commit to exchange an aggregate of $[1.20 billion] in principal amount of CCH II Notes for New CCH II Notes pursuant to the Exchange, subject to the cutback described below (the "Rollover Commitment").
Cutback in Exchange	If the aggregate principal amount of New CCH II Notes to be issued to holders (including the Rollover Commitment Parties) electing to participate in the Exchange would exceed the Target Amount, then each participating holder (including the Rollover Commitment Parties) shall receive its pro rata portion of such Target Amount of New CCH II Notes in the same proportion that the principal amount of CCH II Notes sought to be exchanged by such holder bears to the total principal amount of CCH II Notes

[3] [Seven] year maturity.

sought to be exchanged, and the remainder of CCH II Notes shall be converted into the right to receive cash.

New Debt Commitment by Members of the Committee

Certain members of the Committee (the "New Debt Commitment Parties") will, severally and not jointly, commit to purchase additional New CCH II Notes (the "New Debt Commitment") in an aggregate principal amount equal to $[300 million]. If the aggregate principal amount of New CCH II Notes to be issued to holders (including the Rollover Commitment Parties) electing to participate in the Exchange is less than the Target Amount, then the New Debt Commitment shall be funded to the extent of such shortfall.

Rights Offering

CCI shall effectuate an offering in conjunction with and pursuant to the Plan (the "Rights Offering") to existing holders of CCH I Notes and entities controlled by Paul Allen (the "Allen Entities") of rights to purchase shares of new Class A common stock of the Reorganized Company (the "New Class A Stock"). The Rights Offering to existing holders of CCH I Notes shall generate gross proceeds in an amount equal to (a) $[1 billion] minus (b) the gross proceeds, if any, of the Rights Offering to the Allen Entities [plus (c) the amount, if any, by which the Target Amount exceeds the principal amount of New CCH II Notes issued pursuant to the Plan (whether pursuant to the Exchange or the New Debt Commitment)].[4] The Rights Offering to the Allen Entities shall generate gross proceeds, if any, in an amount up to $[100 million].

Each holder of CCH I Notes shall be offered the right (the "Right") to purchase up to [___] shares of New Class A Stock for each $[___] in principal amount of CCH I Notes held by such holder on the Record Date, in exchange for a cash payment equal to $[___] per share (the "Per Share Purchase Price").[5] The Allen Entities shall be offered the Right to purchase up to [___] shares of New Class A Stock, in exchange for a cash payment per share equal to the Per Share Purchase Price.

The Rights received by the holders of CCH I Notes shall be independently transferable (subject to compliance with applicable securities law) up through the Record Date, subject to a right of first refusal for members of the Committee who agree to provide the Equity Backstop (as defined below) (the "Equity Backstop Parties"). The Rights received by the Allen Entities shall not be transferable. A Rights agent shall be appointed by CCI to facilitate the Rights Offering. Fractional shares shall not be issued and no compensation shall be paid in cash in respect of fractional

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[4] To be deleted if the sum of the Rollover Commitment and the New Debt Commitment is equal to the Target Amount.

[5] Price per share to reflect a discount of [25]% to equity value based on a 2009 EBITDA multiple of 6.0.

	shares. Unexercised Rights will expire without compensation at 5:00 p.m. on the expiration date chosen by CCI, which date shall be reasonably satisfactory to the Requisite Noteholders. Shares of New Class A Stock issued in connection with the Rights Offering shall be issued on the Effective Date and the Plan shall expressly require that the Rights Offering close on or prior to the Effective Date.
Equity Backstop by Members of the Committee	The Equity Backstop Parties will, severally and not jointly, fully backstop the Rights Offering so that if any holder of CCH I Notes (or its transferee of Rights) elects not to participate, each Equity Backstop Party will assume its pro rata portion of such refraining party's right to participate in the Rights Offering in the same proportion that the principal amount of CCH I Notes held by such Equity Backstop Party bears to the total principal amount of CCH I Notes held by all Equity Backstop Parties (the "Equity Backstop"). Notwithstanding the foregoing, no Equity Backstop Party shall assume any refraining party's right to participate in the Rights Offering if and to the extent that such Equity Backstop Party (or its affiliates) would then be entitled to purchase shares of New Class A Stock that, together with any other shares of New Class A Stock to be received by such Equity Backstop Party (or its affiliates) pursuant to the Plan, would result in such Equity Backstop Party (or its affiliates) having the power, directly or indirectly, to vote or direct the voting of equity interests having 35% or more (determined on a fully diluted basis) of the ordinary voting power for the management of the Reorganized Debtors.
Use of Proceeds of Rights Offering	CCI shall utilize the proceeds of the Rights Offering (a) first, to pay the expenses of the Rights Offering, (b) second, the net proceeds will be contributed by CCI to CCH II in an amount sufficient to fund the Cash Amount and (c) third, the remaining net proceeds, if any, will [be contributed by CCI to CCO to][6] fund CCO's working capital requirements at the Effective Date.
Commitment Fees	As consideration for participating in the Exchange, participating holders (including the Rollover Commitment Parties) shall receive [________][7] from CCI on the [Effective Date], allocated to each participating holder pro rata in the same proportion that the principal amount of New CCH II Notes issued to such holder pursuant to the Exchange bears to the total principal amount of New CCH II Notes issued pursuant to the Exchange. As consideration for the New Debt Commitment, the New Debt

[6] Consider which entity will hold remaining net proceeds (if any).

[7] Form and amount of consideration for commitment fees to be determined. Note that commitment fees will not reduce the minimum working capital amount to be available at closing, as specified below under "Minimum Working Capital."

Commitment Parties shall receive [________] from CCI on the [Effective Date], allocated to each New Debt Commitment Party pro rata in proportion to its respective New Debt Commitment.

As consideration for the Equity Backstop, the Equity Backstop Parties shall receive [________] from CCI on the [Effective Date], allocated to each Equity Backstop Party pro rata in proportion to its respective Equity Backstop.

MINIMUM WORKING CAPITAL: By virtue of the Rights Offering, cash on the balance sheet and cash from operations, the initial unrestricted starting cash balance of the Reorganized Debtors will be $[________]. There will be no availability for additional borrowing under the CCO Credit Facility.

TREATMENT OF CLAIMS AND INTERESTS:

Administrative Expense Claims The allowed administrative expense claims shall be unimpaired. Except with respect to administrative expense claims that are professional fee claims and except to the extent that a holder of an allowed administrative expense claim and the Debtors agree to a different treatment, which shall be reasonably satisfactory to the Requisite Noteholders, each holder of an allowed administrative expense claim shall be paid in full in cash on the later of the initial distribution date under the Plan and the date such administrative expense claim is allowed, or as soon thereafter as is practicable; provided, however, that allowed administrative expense claims that arise in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to, such transactions.

Priority Tax Claims The allowed priority tax claims shall be unimpaired. Except to the extent that a holder of an allowed priority tax claim and the Debtors agree to a different treatment, which shall be reasonably satisfactory to the Requisite Noteholders, each holder of an allowed priority tax claim shall, at the sole option of the Debtors, (a) be paid in full in cash plus Post-Petition Interest on the later of the initial distribution date under the Plan and the date such priority tax claim becomes an allowed priority tax claim, or as soon thereafter as is practicable, or (b) over a period through the sixth anniversary of the date of assessment of such allowed priority tax claim, receive deferred cash payments in an aggregate amount equal to such allowed priority tax claim plus Post-Petition Interest and interest on such aggregate amount over such period at the same rate as such Post-Petition Interest. All allowed priority

	tax claims which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
Other Priority Claims	The allowed other priority claims shall be unimpaired. Except to the extent that a holder of an allowed other priority claim and the Debtors agree to a different treatment, which shall be reasonably satisfactory to the Requisite Noteholders, each holder of an allowed other priority claim shall be paid in full in cash plus Post-Petition Interest on the later of the initial distribution date under the Plan and the date such other priority claim is allowed, or as soon thereafter as is practicable; provided, however, that other priority claims that arise in the ordinary course of the Debtors' business and which are not due and payable on or before the Effective Date shall be paid in the ordinary course of business in accordance with the terms thereof.
CCO Credit Facility Claims	The allowed CCO Credit Facility claims shall be unimpaired. The CCO Credit Facility Claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*] plus Post-Petition Interest, but excluding any call premiums or any prepayment penalties and without giving effect to any default interest rate. Each allowed CCO Credit Facility claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an allowed CCO Credit Facility claim to demand or to receive payment of such allowed CCO Credit Facility claim prior to the stated maturity of such allowed CCO Credit Facility claim from and after the occurrence of a default. The obligation of any lender to make loans (whether term loans or revolving loans) under the CCO Credit Facility, other than loans outstanding as of the Effective Date, shall be cancelled, released and extinguished.
CCO Note Claims	The allowed CCO Note claims shall be unimpaired. The CCO Note claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*] plus Post-Petition Interest, but excluding any call premiums or any prepayment penalties and without giving effect to any default interest rate. Each allowed CCO Note claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an allowed CCO Note claim to demand or to receive payment of such allowed CCO Note claim prior to the stated maturity of such allowed CCO Note claim from and after the occurrence of a default.
CCOH Credit Facility	The allowed CCOH Credit Facility claims shall be unimpaired.

Claims	The CCOH Credit Facility Claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*] plus Post-Petition Interest, but excluding any call premiums or any prepayment penalties and without giving effect to any default interest rate. Each allowed CCOH Credit Facility claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an allowed CCOH Credit Facility claim to demand or to receive payment of such allowed CCOH Credit Facility claim prior to the stated maturity of such allowed CCOH Credit Facility claim from and after the occurrence of a default.
CCOH Note Claims	The allowed CCOH Note claims shall be unimpaired. The CCOH Note claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*] plus Post-Petition Interest, but excluding any call premiums or any prepayment penalties and without giving effect to any default interest rate. Each allowed CCOH Note claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an allowed CCOH Note claim to demand or to receive payment of such allowed CCOH Note claim prior to the stated maturity of such allowed CCOH Note claim from and after the occurrence of a default.
Other Secured Claims	The allowed other secured claims shall be unimpaired. Except to the extent that a holder of an allowed other secured claim and the Debtors agree to a different treatment, which shall be reasonably satisfactory to the Requisite Noteholders, at the sole option of the Debtors, (a) each allowed other secured claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable non-bankruptcy law that entitles the holder of an allowed other secured claim to demand or to receive payment of such allowed other secured claim prior to the stated maturity of such allowed other secured claim from and after the occurrence of a default, (b) each holder of an allowed other secured claim shall be paid in full in cash plus Post-Petition Interest on the later of the initial distribution date under the Plan and the date such other secured claim becomes an allowed other secured claim, or as soon thereafter as is practicable, or (c) each holder of an allowed other secured claim shall receive the collateral securing its allowed other secured claim plus Post-Petition Interest on the later of the initial distribution date under the Plan and the date such other secured claim becomes an allowed other secured claim, or as soon thereafter as is practicable.

General Unsecured Claims	The allowed general unsecured claims shall be unimpaired. Each holder of an allowed general unsecured claim (which shall not include Unliquidated Claims, CCI claims or Charter Holdco claims) shall be paid in full in cash plus Post-Petition Interest on the later of the initial distribution date under the Plan and the date such general unsecured claim is allowed, or as soon thereafter as is practicable. To the extent insurance is available to satisfy an allowed general unsecured claim, such allowed general unsecured claim shall be paid in the ordinary course of business by the Reorganized Debtors to the extent of such insurance, without need for Bankruptcy Court approval, at such time as such claim becomes liquidated and proceeds of the insurance therefor become available. The Debtors shall not establish any disputed claims reserve for payment of general unsecured claims.
Unliquidated Claims	Holders of Unliquidated Claims shall be unimpaired. All Unliquidated Claims, solely to the extent and on the basis set forth in a timely and validly filed proof of claim, shall be liquidated, determined and satisfied in the ordinary course of business by the Reorganized Debtors, without need for Bankruptcy Court approval, including, where applicable, through access to available insurance. The Debtors shall not establish any disputed claims reserve for payment of Unliquidated Claims.
CCH II Note Claims	CCH II Note claims shall be impaired. The CCH II Note claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*]. Holders of CCH II Note claims shall receive the New CCH II Notes and the Cash Amount pursuant to the Exchange.
CCH I Note Claims	CCH I Note claims shall be impaired. The CCH I Note claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*]. Holders of CCH I Note claims shall receive an aggregate of [________] shares of New Class A Stock on the initial distribution date under the Plan. Each holder of CCH I Note claims shall receive its <u>pro</u> <u>rata</u> portion of such New Class A Stock in the same proportion that the principal amount of CCH I Notes held by such holder bears to the total principal amount of CCH I Notes (whether or not held by members of the Committee). Holders of CCH I Note claims shall also receive Rights pursuant to the Rights Offering as described above.
CIH Note Claims	CIH Note claims shall be impaired. The CIH Note claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*]. Holders of CIH Note claims shall receive [warrants to purchase an aggregate of [________] shares of New Class A Stock] *OR* [an aggregate of [________] shares of New Class A Stock] on the initial distribution date under the Plan. Each holder

	of CIH Note claims shall receive its pro rata portion of such [warrants] *OR* [New Class A Stock] in the same proportion that the principal amount of CIH Notes held by such holder bears to the total principal amount of CIH Notes.
Charter Holdings Note Claims	Charter Holdings Note claims shall be impaired. The Charter Holdings Note claims shall be allowed in the aggregate amount of $[*insert principal plus accrued interest*]. Holders of Charter Holdings Note claims shall receive [warrants to purchase an aggregate of [________] shares of New Class A Stock] *OR* [an aggregate of [________] shares of New Class A Stock] on the initial distribution date under the Plan. Each holder of Charter Holdings Note claims shall receive its pro rata portion of such [warrants] *OR* [New Class A Stock] in the same proportion that the principal amount of Charter Holdings Notes held by such holder bears to the total principal amount of Charter Holdings Notes.
CCHC Note Claims	CCHC Note claims shall be impaired. CCHC Note claims shall be cancelled, released and extinguished and the holder of the CCHC Note shall receive no distribution under the Plan on account of such claims.
Charter Holdco Claims	Charter Holdco claims shall be impaired. Charter Holdco claims (including, without limitation, claims in respect of the Charter Holdco Notes and amounts payable pursuant to the Second Amended and Restated Mutual Services Agreement, dated as of June 19, 2003, between CCI and Charter Holdco) shall be cancelled, released and extinguished and the holders of Charter Holdco claims shall receive no distribution under the Plan on account of such claims.
CCI Claims	CCI claims shall be impaired. Holders of CCI claims shall receive [warrants to purchase an aggregate of [________] shares of New Class A Stock] *OR* [an aggregate of [________] shares of New Class A Stock] *OR* [an aggregate of $[________] in cash] plus an aggregate of $[________] in cash if and only if the $[________] interest payment due from CIH and Charter Holdings on January 15 is paid prior to February 15, in each case on the initial distribution date under the Plan. Each holder of CCI claims shall receive its pro rata portion of such [warrants] *OR* [New Class A Stock] *AND/OR* [cash] in the same proportion that the principal amount of CCI claims held by such holder bears to the total principal amount of CCI claims. CCI claims in respect of the CCI Notes and amounts payable pursuant to the Amended and Restated Management Agreement, dated as of June 19, 2003, between CCO and CCI, shall be cancelled, released and extinguished.
Other Intercompany	[Except as otherwise provided for in this Term Sheet and the Plan,

Claims	all other intercompany claims shall be unimpaired and shall be reinstated upon the Effective Date.][8]
CC VIII Preferred Units	Interests in the CC VIII Preferred Units shall be impaired. Holders of CC VIII Preferred Units shall receive (a) in the case of holders of CCH I Notes, an aggregate of [________] shares of New Class A Stock and (b) in the case of Charter Investment, Inc., an aggregate of [________] shares of new Class B common stock of the Reorganized Company (the "New Class B Stock" and, together with the New Class A Stock, the "New Common Stock"), in each case on the initial distribution date under the Plan. Each holder of CC VIII Preferred Units shall receive its pro rata portion of such New Common Stock in the same proportion that the number of CC VIII Preferred Units held by such holder bears to the total number of CC VIII Preferred Units.
Equity Securities of Charter Holdco	Interests in the equity securities of Charter Holdco held by Charter Investment, Inc. and Vulcan Cable III Inc. shall be impaired. [Such interests shall be cancelled, released and extinguished and neither Charter Investment, Inc. nor Vulcan Cable III Inc. shall receive any distribution under the Plan on account of such interests.][9]
Existing Common Stock and Preferred Share Purchase Rights	Interests in the Class A common stock, Class B common stock and preferred share purchase rights of CCI outstanding immediately prior to the Effective Date shall be impaired. Such interests shall be cancelled, released and extinguished and holders of such interests shall receive no distribution under the Plan on account thereof.
Other Common Equity Interests in CCI	The other common equity interests in CCI, including options, warrants and rights related to equity interests, shall be impaired. Such interests shall be cancelled, released and extinguished and holders of such interests shall receive no distribution under the Plan on account thereof.
Other Equity Interests in Surviving Debtor Subsidiaries	Except as otherwise provided for in the Plan, all other equity interests in the subsidiaries of CCI shall be unimpaired.
REORGANIZED COMPANY EQUITY INTERESTS:	The Reorganized Company's equity interests shall consist of New Class A Stock [and] New Class B Stock [and warrants to purchase New Class A Stock].
New Class A Common Stock	An aggregate of [________] shares of New Class A Stock shall be issued to (a) participants in the Rights Offering upon the exercise of Rights, (b) holders of claims with respect to the CCH I Notes[,

8 Intercompany claims to be discussed (including (i) loan to CCOH from CCO, (ii) loan to CCH II from CCO and (iii) loan to Charter Holdco from CCO).

9 Subject to applicable tax and structuring provisions of Annex B.

CIH Notes, Charter Holdings Notes and CCI,] and (c) holders of CCH I Notes with respect to their CC VIII Preferred Units, in each case in the respective amounts described above. Each share of New Class A Stock shall be entitled to one vote.

CCI shall cause the New Class A Stock to be listed on the NASDAQ Global Select Market [as of the Effective Date][10] and the Reorganized Company shall maintain such listing thereafter.

New Class B Common Stock

The New Class B Stock shall be identical to the New Class A Stock except with respect to certain voting, transfer and conversion rights. Each share of New Class B Stock shall be entitled to [___] votes. Each share of New Class B Stock shall be convertible into one share of New Class A Stock at the option of the holder or, following [*insert last maturity date of indebtedness being reinstated pursuant to the Plan*] (the "Lock-Up Date"), the members of the Board of Directors (as defined below) nominated by stockholders other than the Allen Entities. New Class B Stock shall be subject to significant transfer restrictions. Certain restrictions on conversion and transfer of New Class B Stock are described below under "*POST-EFFECTIVE DATE LOCK-UP*."

In consideration for the CC VIII Preferred Units held by Charter Investment, Inc., an aggregate of [________] shares of New Class B Stock shall be issued to the Allen Entities. Such shares of New Class B Stock shall, together with any shares of New Class A Stock received by the Allen Entities pursuant to the Plan, result in the Allen Entities having the power, directly or indirectly, to vote or direct the voting of equity interests having 35% (determined on a fully diluted basis) of the ordinary voting power for the management of the Reorganized Debtors.

[Warrants]

[Warrants to purchase an aggregate of [________] shares of New Class A Stock shall be issued to holders of claims with respect to the CIH Notes, Charter Holdings Notes and CCI in the respective amounts described above. The warrants shall have an exercise price of $[___] per share and shall expire [___] years after the date of issuance.]

REGISTRATION RIGHTS:

On the Effective Date, the Reorganized Company shall enter into a registration rights agreement with certain holders of New Common Stock,[11] in form and substance reasonably satisfactory to the Requisite Noteholders, pursuant to which such holders shall receive certain demand, shelf and "piggyback" registration rights with respect to the New Class A Stock.

CONDITIONS TO

The Plan shall contain various conditions precedent to

[10] Subject to applicable tax and structuring provisions of Annex B.
[11] To include holders of more than 10% of the New Common Stock.

CONFIRMATION & EFFECTIVE DATE:	confirmation and to the Effective Date that must be satisfied or waived. Such conditions to the Effective Date shall include, without limitation, the following: (a) the Plan shall be in form and substance consistent with this Term Sheet, and shall be reasonably satisfactory to the Requisite Noteholders; (b) an order confirming the Plan, in form and substance reasonably satisfactory to the Requisite Noteholders, shall have been entered and shall not have been stayed or modified or vacated on appeal; (c) the Effective Date of the Plan shall have occurred on or before [________], 2009; and (d) other conditions customary for transactions of the type described in this Term Sheet shall have been satisfied or waived by the Requisite Noteholders.
BOARD REPRESENTATION:	[The Reorganized Company's board of directors (the "<u>Board of Directors</u>") shall consist of [__] members. Each holder of [__]% or more of the voting power of the New Common Stock on the Effective Date shall have the right to nominate one member of the Board for each [__]% of voting power, for a total of [__] nominees.] Subject to the Reorganized Company's by-laws relating to the filling of vacancies, if any, on the Board of Directors, the members of the Board of Directors as constituted on the Effective Date will continue to serve at least until the first annual meeting of stockholders after the Effective Date, which meeting shall not take place until at least 12 months after the Effective Date.
SENIOR MANAGEMENT:	The officers of the Reorganized Debtors shall be substantially the same as the officers of the Debtors on the date hereof.
MANAGEMENT INCENTIVE PLAN:	The Plan shall provide for a management incentive plan, which shall include, among other things, an allocation of up to [__]% of the fully diluted New Common Stock outstanding on the Effective Date to be distributed as determined by the Board of Directors.
POST-EFFECTIVE DATE GOVERNANCE:	The Plan shall provide that (a) the Reorganized Debtors shall enter into such agreements and amend their corporate governance documents to the extent necessary to implement the terms and conditions of the Plan; and (b) on and as of the Effective Date, the Rights Agreement between CCI and Mellon Investor Services LLC, dated as of August 14, 2007, as amended thereafter, shall be terminated.
POST-EFFECTIVE	On the Effective Date, the Allen Entities shall enter into a lock-up

DATE LOCK-UP:	agreement with the Reorganized Company, in form and substance reasonably satisfactory to the Requisite Noteholders, pursuant to which the Allen Entities shall agree not to, and not to permit [related persons or entities for purposes of the CCO Credit Facility, the CCO Notes, the CCOH Credit Facility or the CCOH Notes] to, transfer any New Common Stock or convert any New Class B Stock into New Class A Stock, in each case for a period commencing on the Effective Date and continuing until the Lock-Up Date.
POST-EFFECTIVE DATE STANDSTILL:	The certificate of incorporation of the Reorganized Company shall, for a period commencing on the Effective Date and continuing until the Lock-Up Date unless approved by the Board of Directors, prohibit any person or group from acquiring any New Common Stock if and to the extent that such New Common Stock, together with any other shares of New Common Stock held by such person or group, would result in such person or group having the power, directly or indirectly, to vote or direct the voting of equity interests having 35% or more (determined on a fully diluted basis) of the ordinary voting power for the management of the Reorganized Debtors.
RELATED PARTY TRANSACTIONS:	The certificate of incorporation of the Reorganized Company shall include provisions with respect to any business combination with or into any related party, requiring that the consideration received by the other stockholders in connection with such business combination is at fair value as determined by the unrelated members of the Board of Directors and approved by the vote of a majority of disinterested stockholders.
FEES AND EXPENSES:	CCI shall pay the fees and expenses of Paul, Weiss, Rifkind, Wharton & Garrison LLP, Houlihan Lokey Howard & Zukin Capital, Inc. and UBS Securities LLC, the legal and financial advisors engaged by the Committee, subject to the terms of the engagement letters executed by CCI.
	CCI shall pay the out-of-pocket fees and expenses incurred by the members of the Committee in connection with the negotiation of the proposed restructuring and their due diligence review.
ADDITIONAL PROVISIONS:	The Plan shall contain other provisions customarily found in other similar plans of reorganization, as are reasonably acceptable to the Requisite Noteholders.

ANNEX A

DEFINED TERMS

"Bankruptcy Court" means the United States Bankruptcy Court for the District of [________] or such other court of competent jurisdiction.

"CCH I Notes" means the 11.00% Senior Secured Notes of CCH I, LLC and CCH I Capital Corp. due 2015 issued pursuant to the Indenture, dated as of September 23, 2003, among CCH I, LLC and CCH I Capital Corp., as issuers, Charter Holdings, as parent guarantor, and The Bank of New York Trust Company, N.A., as trustee.

"CCH II Notes" means:

(a) the 10.25% Senior Notes of CCH II, LLC and CCH II Capital Corp. due 2010 issued pursuant to the Indenture, dated as of September 23, 2003, among CCH II, LLC and CCH II Capital Corp., as issuers, and Wells Fargo Bank, N.A., as trustee; and

(b) the 10.25% Senior Notes of CCH II, LLC and CCH II Capital Corp. due 2013 issued pursuant to the Indenture, dated as of September 14, 2006, among CCH II, LLC and CCH II Capital Corp., as issuers, Charter Holdings, as parent guarantor, and The Bank of New York Trust Company, N.A., as trustee.

"CCHC Note" means the 14% Subordinated Accreting Note, dated as of October 31, 2005, issued by CCHC, LLC in favor of Charter Investment, Inc.

"CCI Notes" means:

(a) the 5.875% Convertible Senior Notes of CCI due 2009 issued pursuant to the Indenture, dated as of November 22, 2004, among CCI and Wells Fargo Bank, N.A., as trustee; and

(b) the 6.50% Convertible Senior Notes of CCI due 2027 issued pursuant to the Indenture, dated as of October 2, 2007, among CCI and The Bank of New York Trust Company, N.A., as trustee.

"CCO" means Charter Communications Operating, LLC.

"CCO Credit Facility" means the Amended and Restated Credit Agreement, dated as of March 18, 1999, as amended and restated on March 6, 2007, among CCO, CCO Holdings, LLC, the several banks and other financial institutions or entities from time to time parties thereto, J.P. Morgan Chase Bank, N.A., as administrative agent, J.P. Morgan Chase Bank, N.A. and Bank of America, N.A., as syndication agents, Citicorp North America, Inc., Deutsche Bank Securities Inc., General Electric Capital Corporation and Credit Suisse Securities (USA) LLC, as revolving facility co-documentation agents, and Citicorp North America, Inc., Credit Suisse Securities (USA) LLC, General Electric Capital Corporation and Deutsche Bank Securities Inc., as term facility co-documentation agents.

"CCO Notes" means:

(a) the 8% Senior Second Lien Notes of CCO and CCOC due 2012 and the 8-3/8% Senior Second Lien Notes of CCO and CCOC due 2014 issued pursuant to the Indenture, dated as of April 27,

2004, among CCO and CCOC, as issuers, each of the guarantors from time to time party thereto, as guarantors, and Wells Fargo Bank, N.A., as trustee; and

(b) the 10.875% Senior Second Lien Notes of CCO and CCOC due 2014 issued pursuant to the Indenture, dated as of March 19, 2008, among CCO and CCOC, as issuers, each of the guarantors from time to time party thereto, as guarantors, and Wilmington Trust Company, as trustee.

"CCOC" means Charter Communication Operating Capital Corp.

"CCOH Credit Facility" means the Credit Agreement, dated as of March 6, 2007, among CCO Holdings, LLC, the several banks and other financial institutions or entities from time to time parties thereto, Bank of America, N.A., as administrative agent, Banc of America Securities LLC and J.P. Morgan Securities Inc., as co-syndication agents, and Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as co-documentation agents.

"CCOH Notes" means the 8.75% Senior Notes of CCO Holdings, LLC and CCO Holdings Capital Corp. due 2013 issued pursuant to the Indenture, dated as of November 10, 2003, among CCO Holdings, LLC and CCO Holdings Capital Corp., as issuers, and Wells Fargo Bank, N.A., as trustee.

"Charter Holdco" means Charter Communications Holding Company, LLC.

"Charter Holdco Notes" means:

(a) the 5.875% Mirror Convertible Senior Note of Charter Holdco due 2009 issued pursuant to the Holdco Mirror Notes Agreement, dated as of November 22, 2004, among CCI and Charter Holdco; and

(b) the 6.50% Mirror Convertible Senior Note of Charter Holdco due 2027 issued pursuant to the Holdco Mirror Notes Agreement, dated as of October 2, 2007, among CCI and Charter Holdco.

"Charter Holdings" means Charter Communications Holdings, LLC.

"Charter Holdings Notes" means:

(a) the 9.625% Senior Notes of Charter Holdings and Holdings Capital Corp due 2009 issued pursuant to the Indenture, dated as of May 15, 2001, among Charter Holdings and Holdings Capital Corp, as issuers, and BNY Midwest Trust Company, as trustee;

(b) the 10.00% Senior Notes of Charter Holdings and Holdings Capital Corp due 2009 issued pursuant to the Indenture, dated as of January 19, 2000, among Charter Holdings and Holdings Capital Corp, as issuers, and Harris Trust and Savings Bank, as trustee;

(c) the 10.75% Senior Notes of Charter Holdings and Holdings Capital Corp due 2009 issued pursuant to the Indenture, dated as of January 10, 2001, among Charter Holdings and Holdings Capital Corp, as issuers, and BNY Midwest Trust Company, as trustee;

(d) the 11.75% Senior Discount Notes of Charter Holdings and Holdings Capital Corp due 2010 issued pursuant to the Indenture, dated as of January 12, 2000, among Charter Holdings and Holdings Capital Corp, as issuers, and Harris Trust and Savings Bank, as trustee;

(e) the 10.25% Senior Notes of Charter Holdings and Holdings Capital Corp due 2010 issued pursuant to the Indenture, dated as of January 12, 2000, among Charter Holdings and Holdings Capital Corp, as issuers, and Harris Trust and Savings Bank, as trustee;

(f) the 9.92% Senior Discount Notes of Charter Holdings and Holdings Capital Corp due 2011 issued pursuant to the Indenture, dated as of March 17, 1999, among Charter Holdings and Holdings Capital Corp, as issuers, Marcus Cable Holdings, LLC, as guarantor, and Harris Trust and Savings Bank, as trustee;

(g) the 11.125% Senior Notes of Charter Holdings and Holdings Capital Corp due 2011 issued pursuant to the Indenture, dated as of January 10, 2001, among Charter Holdings and Holdings Capital Corp, as issuers, and BNY Midwest Trust Company, as trustee;

(h) the 13.50% Senior Discount Notes of Charter Holdings and Holdings Capital Corp due 2011 issued pursuant to the Indenture, dated as of January 10, 2001, among Charter Holdings and Holdings Capital Corp, as issuers, and BNY Midwest Trust Company, as trustee;

(i) the 10.00% Senior Notes of Charter Holdings and Holdings Capital Corp due 2011 issued pursuant to the Indenture, dated as of May 15, 2001, among Charter Holdings and Holdings Capital Corp, as issuers, and BNY Midwest Trust Company, as trustee;

(j) the 11.75% Senior Discount Notes of Charter Holdings and Holdings Capital Corp due 2011 issued pursuant to the Indenture, dated as of May 15, 2001, among Charter Holdings and Holdings Capital Corp, as issuers, and BNY Midwest Trust Company, as trustee; and

(k) the 12.125% Senior Discount Notes of Charter Holdings and Holdings Capital Corp due 2012 issued pursuant to the Indenture, dated as of January 14, 2002, among Charter Holdings and Holdings Capital Corp, as issuers, and BNY Midwest Trust Company, as trustee.

"CIH" means CCH I Holdings, LLC.

"CIH Capital" means CCH I Holdings Capital Corporation.

"CIH Notes" means the following notes issued pursuant to the Indenture, dated as of September 28, 2005, among CIH and CIH Capital, as issuers, Charter Holdings, as parent guarantor, and The Bank of New York Trust Company, N.A., as trustee:

(a) 11.125% Senior Accreting Notes of CIH and CIH Capital due 2014;

(b) 9.920% Senior Accreting Notes of CIH and CIH Capital due 2014;

(c) 10.00% Senior Accreting Notes of CIH and CIH Capital due 2014;

(d) 11.75% Senior Accreting Notes of CIH and CIH Capital due 2014;

(e) 13.50% Senior Accreting Notes of CIH and CIH Capital due 2014; and

(f) 12.125% Senior Accreting Notes of CIH and CIH Capital due 2015.

"Effective Date" means the date that all conditions to the effectiveness of the Plan have been satisfied or waived as provided herein, which conditions shall be reasonably satisfactory to the Requisite Noteholders.

"Holdings Capital Corp" means Charter Communications Holdings Capital Corporation.

"Petition Date" means the date on which the Debtors file their voluntary petitions commencing cases in the Bankruptcy Court under chapter 11 of the Bankruptcy Code.

"Post-Petition Interest" means with respect to:

(a) priority tax claims, (i) with respect to federal taxes, at a fixed annual rate equal to the federal statutory rate as provided in 26 U.S.C. § 6621; and (ii) with respect to state and local taxes, at the prime lending rate of interest as in effect for the period to which the priority tax claim pertains;

(b) [the CCO Credit Facility, accrued and unpaid interest pursuant to the CCO Credit Facility from the Petition Date through the Effective Date at the applicable contractual rate;]

(c) [the CCO Notes, accrued and unpaid interest pursuant to the applicable indenture from the Petition Date through the Effective Date at the applicable contractual rate;]

(d) [the CCOH Credit Facility, accrued and unpaid interest pursuant to the CCOH Credit Facility from the Petition Date through the Effective Date at the applicable contractual rate;]

(e) [the CCOH Notes, accrued and unpaid interest pursuant to the applicable indenture from the Petition Date through the Effective Date at the applicable contractual rate;]

(f) [other secured claims, interest accruing on such claims from the Petition Date through the Effective Date at the rate set forth in the contracts or other applicable documents giving rise to such claims (to the extent lawful) or, if the applicable instruments do not specify a rate of interest, at the federal judgment rate as provided for in 28 U.S.C. § 1961 as in effect on the Petition Date;]

(g) [general unsecured claims, interest accruing from the Petition Date through the Effective Date at the legally required rate;] and

(h) [the CCH II Notes, accrued and unpaid interest pursuant to the applicable indenture from the Petition Date through the Effective Date at the applicable contractual rate].

For the avoidance of doubt, except as required under applicable non-bankruptcy law, Post-Petition Interest will not be paid on allowed administrative expense claims (including professional fee claims).

"Record Date" means a date approximately [three] business days prior to the date chosen by CCI on which the Rights Offering shall commence, which date shall be reasonably satisfactory to the Requisite Noteholders.

"Reorganized Company" means CCI after the Effective Date.

"Reorganized Debtors" means, collectively, the Debtors after the Effective Date.

"Unliquidated Claim" means a timely and validly filed proof of claim asserting an unliquidated or contingent unsecured claim (which claim numbers shall be set forth in a schedule attached to the Plan) against one of the Debtors, solely to the extent and on the basis set forth in the proof of claim, and to the extent such claim has not been disallowed and remains unliquidated and/or contingent on and as of the Effective Date unless such claim has been disallowed by the Bankruptcy Court.

ANNEX B

<u>TAX MATTERS</u>